

JPRS-WER-84-041

6 April 1984

West Europe Report

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

6 April 1984

WEST EUROPE REPORT

CONTENTS

POLITICAL

EUROPEAN AFFAIRS

- Soviet Activities in Antwerp, Plans for Rotterdam
(Frank Lafort; ELSEVIERS MAGAZINE, 18 Feb 84) 1

BELGIUM

- Flemish Social Christians on Foreign Policy
(Kris Lelievre-Damit; KNACK, 22 Feb 84) 7

FRANCE

- Census Collection Methods Alter Foreign Population Figures
(LE MONDE, 17 Feb 84) 9
- Census Shows Life Style, Job, Family Preferences
(Guy Herzlich; LE MONDE, 17 Feb 84) 11
- Census Reveals Growth Slowdown; Urban, Foreign Stability
(LE MONDE, 17 Feb 84) 13

TURKEY

- Former Ambassador Isik on Shaping Relations With Council of
Europe
(Hasan Esat Isik; MILLIYET, 16 Feb 84) 18
- Ilicak on Leftist Effort To Discredit CWP
(TERCUMAN, 10 Feb 84) 21
- Kohen Analysis of Balkan Cooperation Conference
(Sami Kohen; MILLIYET, 16 Feb 84) 23
- Turkish Arbitration in Iran-Iraq War Discussed in Riyadh
(CUMHURIYET, 23 Feb 84) 25

Mumcu Assesses Meaning of 'Liberalism' (CUMHURIYET, 23 Feb 84)	27
---	----

MILITARY

FRANCE

Overt, Clandestine Weapons Sales Grow Despite Official Statements (Jan Schils; ELSEVIERS MAGAZINE, 3 Mar 84)	30
---	----

IRELAND

Mock Nuclear Attack Exercise Brings Little Response (IRISH INDEPENDENT, 27 Feb 84)	34
Civil Defense Measures, by Bernard Purcell Defense Department Role, by Tom Shiel	

TURKEY

Birand Wary of F-16 Deal's Infrastructure, Financing (M. Ali Birand; MILLIYET, 10 Feb 84)	37
--	----

UNITED KINGDOM

Clyde Base for Trident-Carrying Subs Eyed by Government (George Jones, Desmond Wettern; SYNDAY TELEGRAPH, 4 Mar 84)	39
Polaris Subs To Be Retained Pending Trident Completion (Desmond Wettern; THE DAILY TELEGRAPH, 5 Mar 84).....	41

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

Hesse Employer Group Position on Guest Workers (FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT, 5 Mar 84)	43
--	----

FRANCE

Trade Agreement Reached With USSR To Balance Deficit (LES ECHOS, 6 Feb 84)	47
MATRA's President Lagardere on Modernization, Restructuring (D. Levy; ELECTRONIQUE ACTUALITES, 24 Feb 84)	49
Saint-Gobain Viewed as Successful Nationalized Company (Jacques Jublin; LES ECHOS, 14 Feb 84)	53

Nationalized Industries Place Subsidiaries on Stock Exchange (LES ECHOS, 15 Feb 84)	55
Bordeaux Loses One Third of Port Traffic in Four Years (Gerard Larpent; LES ECHOS, 15 Feb 84)	58
National Study Suggests 1984 Will Be 'Terrible Year' (LES ECHOS, 16 Feb 84)	59
Polemic Books on Industrial Restructuring Summarized (Editorial, Pierre Bernard-Danay; LES ECHOS, 17 Feb 84) ...	61
National Study Outlines Foreign Trade Strategy (LES ECHOS, 10 Feb 84)	64
Briefs	
Fabius Defends Channel Tunnel	66

GREECE

Former ND Minister Boutos on Economic Crisis (I KATHIMERINI, 21 Feb 84)	67
Need for 'Consenting Process' Speech to Journalists	
ND Accuses Government of Deficit Budgeting (AKROPOLIS, 8 Feb 84)	76
Government Official on Planned Investment Upturn for 1984 (K. Vaitos; I KATHIMERINI, 17 Feb 84)	79
Problems Facing Rightist Labor Organizations (TA NEA, 17 Nov 83)	82
PRC Interested in Scientific Exchange (I VRADYNI, 30 Nov 83)	85
Approval for Alumina Plant Construction With USSR (I KATHIMERINI, 9 Mar 84)	86
New Anti-EEC Farm Movement Formed (Dimitris Sideris; I AVGI, 28 Feb 84)	88
Poll Shows Economy as Major Public Concern (KYRIAKATIKI ELEVTHEROTYPIA, 20 Feb 84)	91

TURKEY

Foreign Trade Decontrol Results in 'Import Pressure' (DUNYA, 23 Feb 84)	92
--	----

Unions Amalgamate, Prepare for Court Appeals (CUMHURIYET, 23 Feb 84)	95
---	----

ENERGY

TURKEY

Negotiations Continue With Soviet Union on Nature Gas Price (MILLIYET, 23 Feb 84)	97
--	----

ENVIRONMENTAL QUALITY

EUROPEAN AFFAIRS

Nordic Ministers Urge Restrictions on Exhaust Emissions (Sven Svensson; DAGENS NYHETER, 29 Feb 84)	98
Nordic Countries Join in Protest to UK on Air Pollution (Dick Ljungberg; DAGENS NYHETER, 2 Mar 84)	100

SWEDEN

Palme Supported on Effort To Get UK Action on Acid Rain (Editorial; SVENSKA DAGBLADET, 29 Feb 84)	102
Country Has Reduced Sulfur Emission Into Air Since 1978 (Lennart Lundegardh; DAGENS NYHETER, 1 Mar 84)	104

SOVIET ACTIVITIES IN ANTWERP, PLANS FOR ROTTERDAM

Amsterdam ELSEVIERS MAGAZINE in Dutch 18 Feb 84 p 10-13

[Article by Frank Lafort: "Joint Ventures With the Russians Are Castles in the Air"]

[Text] "I am ready to take risks. If intensive trade relations with the Soviet Union can help to reduce the distrust now prevailing between East and West, we must, as the Netherlands, fully develop these trade contacts," Doctoral Candidate A.C.H.M. de Kok, CDA [Christian Democratic Appeal] parliamentary member says. He is a student of Slavic affairs and has had a seat in the Second Chamber since 1 March 1983, as successor of the former KVP [Catholic People's Party] leader, Mrs Gardeniers-Berendsen, who was promoted the previous year to the Council of State.

As former KVP fraction adviser and spokesman of the former KVP leader Andriessen, Doctoral Candidate De Kok is acquainted with the crack of the whip in the Second Chamber. Before his appearance in the Inner Court, he worked, among other things, in the Navy Intelligence Service and the ADA [Advisory Council on Defense Matters]. A number of his former colleagues at defense undoubtedly frowned at the end of January when the christian democrat in a newspaper article and via the party paper CD/UP TO DATE warmly advocated more freedom of movement in the Netherlands for Russian diplomats and Russian "entrepreneurs."

A remarkable signal. Foreign Affairs and the Ministry of Home Affairs, to which the Internal Security Service is subordinate, refuse to commit themselves when it involves allowing Russian directors in joint Dutch-Russian enterprises (joint ventures) and a Russian consulate in Rotterdam. Last year the Russian ambassador in the Netherlands, Dr Beletski was refused a request from Home Affairs, when the diplomat noisily demanded a consulate in Rotterdam. If this diplomatic mission should not materialize, Dr Beletski informed the Dutch government, that the Russians

would no longer tranship their grain in Rotterdam, but would transport it to Antwerp and Hamburg. Home Affairs did not succumb to pressure and--irony of fate--even expelled the Russian diplomat Dr Beletski had appointed for Rotterdam. The charge was espionage.

The trade relations between the Netherlands and the Soviet Union became even cooler when Moscow appeared to make good its threat in 1983 and succeeded in not processing an ounce of Russian grain in Rotterdam. The manager of the Rotterdam Grain Elevator Company, P van der Vorm, rang the bell at the beginning of this year in The Hague and told everyone that this Russian boycott meant an income loss of 20 to 30 million guilders. In The Hague, they were not impressed by the arguments which the grain elevator company had submitted. The VVD /People's Party for Freedom and Democracy/ parliamentary member, Prof, Dr, Eng J.J. C Voorhoeve said: "What everyone seems to forget is that the Russian harvest last year was better than in previous years. Consequently the Russians need to import less grain from the West. For example, in the port of Antwerp they complained bitterly that the Russians had transhipped less grain." Dutch-Russian trade relations came under even further pressure when Minister Braks (Agriculture and Fisheries) at the end of 1983, a few weeks after Russian fighters shot down a Korean passenger plane, later decided not to go to Moscow.

In order to thaw trade relations with Moscow somewhat, Minister Broks packed his bags afterwards in May to go to Moscow. Agriculture reserved 200,000 guilders this year for export promotion in the Soviet Union. A month later Minister Smit Kroes (transportation and public works) together with the Mayor of Rotterdam, Dr Peper and alderman Den Dunnen (port and economic affairs) will pay a call in Moscow. However, the setting up of a Russian consulate in Rotterdam and the establishment of joint Dutch-Russian enterprises, which foreign affairs looks at Angus-eyed, still heads the list of demands of the Russian guests.

Doctoral Candidate De Kok pointed out the main reasons for this position of the ministry at the end of January in CD/UP TO DATE: "Why does the cabinet not yield? Mainly because the BVD /Internal Security Service/ and Foreign Affairs still act slightly neurotic when it involves the Russians. For, as one says, Russians who are sent abroad, are either KGB members or KGB informants. That is partly true. But then still? Half of Eastern Europe comes here to spy. An additional consulate or a Soviet-Dutch enterprise will not or hardly make the damage worse. Naturally there are a number of reasons why you cannot grant the gentlemen from the East Bloc everything. But there are also some who advocate eliminating the existing restrictions completely or partly."

At the beginning of the month, the minister of foreign affairs, Van den Broek, himself came out against his party member's position. According to the minister, Russian officials, among others, in Rotterdam are heartily welcome, provided the Dutch government and the Rotterdam local authorities are assured that with the increased Russian presence, trade between the Netherlands and the Soviet Union is brought to a higher level. Until now, the Russians have not been able to provide these kind of guarantees and Foreign Affairs is not inclined to liberalize the admission system for the Russians as Doctoral Candidate De Kok requests.

For the CDA member of parliament, foreign affairs not very indulgent position is no reason to let the matter drop. This week, for example, he strongly advocated in the CDA fraction's trade policy committee a less strict admissions policy for Russian nationals. Doctoral Candidate De Kok said: "My plea must not be regarded as an attempt to undermine Minister Van den Broek. I really am trying to do no more than to express the opinion to a part of the fraction. A number of members of the CDA fraction, who, for example, do not agree with my nuclear weapons' position--because I am disposed to accept the stationing of new cruise missiles on Dutch territory--do share my view that conducting a purposeful trade policy in Eastern Europe is an appropriate instrument to reduce the mutual distrust between East and West. That is an attempt at peace policy. As a student of Slavic affairs, I want to try to improve relations with Eastern Europe.

Until recently, the Netherlands was the victim of the self-created enemy image in the fifties and sixties, philosophizes Doctoral Candidate De Kok. According to him, that is one of the main reasons why the Netherlands never was in the lead when a so-called "East policy" had to be formulated. Moreover, Doctoral Candidate De Kok searches his own heart: "The christian democrats who for many decades have been part of government coalitions, hammered in the past especially on the invasion danger and communism's atheistic nature. A well known ARP [Antirevolutionary Party] leader such as Dr Algra has made various furious attacks on the Soviet Union from this point of view.

'Our enemy image saw to it at the same time that we were more willing to cooperate in boycott actions against the Soviet Union. Actions which other countries avoided on a large scale. For that matter, I think it is a poor policy, if something happens in the world with which you do not agree, to suspend trade and cultural relations with the Soviet Union. You must separate these matters from political activities. Trade must be able to

find a way under all circumstances. Italian, French and FRG ministers all went earlier to Moscow to improve trade relations. The Netherlands is only sending in the coming months a few administrations to improve economic relations with Moscow. If we do not watch out, we are going to be left out in the cold."

Doctoral Candidate De Kok's plea for more freedom of movement for the Russians in the Netherlands falls on fertile ground with the social democrats. The PvdA [Labor Party] member of parliament, Harry van den Bergh, points out the Helsinki declaration, in which, among other things, it advocates intensification of trade between East and West. According to Van den Berg, the joint ventures desired by the Russians can certainly make a contribution to that. Although, the Netherlands must not overdo matters.

Van den Bergh: "Until now the West has financed itself, for the most part, the trade with the East Bloc, which is burdened with a heavy load of debt. Therefore, the West must be prudent in providing new loans to East Bloc countries. I do not advocate a loosening of security requirements. There have been too many incidents with Russian nationals in a number of western European countries for that reason. The fact this leads to a certain degree of suspicion is understandable." As an illustration, last week the Norwegian government expelled a 35 year old Russian, the director of a Russian import company. He allegedly worked for the KGB. However, Dutch business must not let itself be deterred because of that, according to Van den Bergh, and will have to make a better effort to conclude joint ventures with agencies or enterprises from the East Bloc.

Still it is necessary to be cautious with such advice, says the liberal chamber member Prof Voorhoeve. In Antwerp--this port city opened its gates wide in past decades for mixed Belgian-Russian enterprises--the Belgian government completely lost sight of various Russian enterprises and as a result of the Russian intelligence services. And whoever takes the trouble in Antwerp to inquire at the Chamber of Commerce about the economic activities of the Belgian-Russian joint ventures observes that only one party benefits from this trade relationship, the Soviet Union.

The Belgians have examined that in 1984. When the joint venture was founded, 50 percent of the capital was still frequently in Belgian hands, in the course of time, the Russians always acquired the majority of the shares. The entire management of the business was also under their control. This tactic succeeded, because the Soviets always chose as "victims" for their joint ventures, relatively small businesses short of capital.

A number of examples from the Antwerp port area:

On 24 November 1967, the Soviet Belgium Nafta Petroleum Company started. About 49 percent of the initial capital (3 million Belgian francs) was in Belgian hands, the rest belonged to the Soviets. Now the Belgian contribution is hardly measureable: 0.35 percent. That happens because the registered capital of this mixed enterprise has increased in recent years to 202.5 million Belgian francs. Four Soviets and only three Belgians are on Nafta's board of directors. As a result, Moscow can demand of Nafta in Antwerp that it contract out the computer operations to another Belgian-Russian joint venture, Elorg Corporation. Nafta pays about 20,000,000 Belgian francs yearly for this computer service, whereby Elorg is saved every year from bankruptcy;

On 8 August 1969, the Belgian-Russian shipping agency, TWM Transworld Marine Agency Corporation was founded. Five Soviet Russian state enterprises (Sovinflot, Baltic Shipping Company, Murmansk Shipping Company, Latvian Shipping Company and Sovfracht) obtained 75 percent of the shares at the beginning. The remaining 25 percent was in Belgian hands. Now the Russian share in TWM amounts to 97.28 percent. Not a single Belgian is in TWM board of directors and management anymore. The dispatch of the 1,500 Russian ships which call at Antwerp yearly is completely in the hands of TWM and its subsidiary enterprises Sobelmarine and Allied Stevedores;

Sobelmarine was founded on 20 April 1976. Over 70 percent of the registered capital is in Russian hands. The board of directors consists of three Russians and two Belgians. In founding Sobelmarine, the Russians promised that this enterprise would place 12 orders for new ships with three Belgian shipyards. It has remained a promise.

On 2 June 1976 the joint venture, Allied Stevedores was established. The Belgian share still amounted to 49 percent in 1976, that has now dropped to 20 percent. The Soviets also dominate in the board of directors of Allied Stevedores. The biggest loser in Antwerp with the appearance of Allied Stevedores was Seaport Terminals, a subsidiary enterprise of Furness-Netherlands, which lost the Russian merchant fleet as a customer.

In the Teveco transport firm (registered capital 5 million Belgian francs) created by TWM, the contribution of the Belgian shareholders is only 5 percent. Teveco's board of directors consists of three Soviets and a Belgian. The Russians can cover

all Belgium with Teveco's trucks. Trucks from Hungary, Czechoslovakia, East Germany, Poland, Bulgaria and the Soviet Union are called on for freight transport. For Teveco's supply of trucks cannot handle alone the great demand for commodities. Therefore the Belgian government is forced to honor yearly about 3,000 visa applications for East Bloc truck drivers. The TWM conglomerate does not need Belgian transport companies. For they cannot compete with the dumping prices which the East Bloc companies charge for freight transport.

At the beginning of 1972, the joint venture Ferchimex was founded, which would conduct trade in phosphates and chemical fertilizers. The registered capital was increased in recent years from 5 million Belgian francs to 40 million. Meanwhile the Russians control 75 percent of this. The management consists of three Soviets and one Belgian.

In order to promote the Soviet diamond trade, the joint venture Russalmaz [Russian Diamond Company] was founded. The Russians own 80 percent of the shares, while not a single Belgian is on the board of directors. Russalmaz has acquired a bad name with the diamond dealers in Western Europe, because it regularly dumps large amounts of diamonds.

Consequently, the Belgian authorities have completely lost control of the situation in the port of Antwerp. Here the Russians can unload what they want, even military equipment, without the Belgian customs or other agencies being able to intervene. Even if, for example, the Belgian customs should know what is in the unloaded Russian containers, they still can do nothing. For the Russian containers in Antwerp are only "in transit."

Rotterdam must be spared these Belgian vicissitudes says Prof Voorhoeve: "Strict security requirements do not damage trade with the Soviet Union. The Soviets are good businessmen. If we provide a good product at a competitive price, the Russians certainly want to do business, in spite of our strict security requirements. Last year France expelled 47 Russians without any excuse. Trade between the Soviet Union and France has suffered little or no harm. For that matter, if we reduce our security requirements, that can be harmful in the long term for our own industry. The East Bloc imports western know-how on a large scale legally or illegally, western knowledge which the Soviets again use to further improve their weapons systems. According to Lenin, the western capitalists would be hung on a rope by the Soviet Union which the capitalists themselves had sold to the Russians. I say that the West in 1984 is even providing the Soviet Union with the loan for the purchase of the rope."

FLEMISH SOCIAL CHRISTIANS ON FOREIGN POLICY

Brussels KNACK in Dutch 22 Feb 84 p 17

[Article by Kris Lelievre-Damit: "Here The Young People Are Again"]

[Text] The CVP [Social Christian Party] conference on foreign policy produced a number of new points of view. It was the CVP-Young People who saw to that.

The CVP conference on foreign policy which lured many party-militants to the Brussels Conference Palace last Saturday and Sunday, did certainly not come too early. For, the previous conference of the Flemish Christian democrats on foreign policy dates back to October 1973 which is surprising for a party which since has controlled the department of Foreign Relations for more than 6 years.

For a short while it looked like this general reflection on Belgian foreign policy would suffer from it and that, consequently, the conference would result in a number of classic and meaningless resolutions. For instance, in the original drafts of the resolutions the word Zaire appeared only once while hardly much more was said about human rights.

Later on, many changes were made to that, even so many that with this latest conference on foreign policy the CVP has taken a number of unambiguous positions which will play a role in controlling the political forum in our country for the next few years.

In the first place there is the demand that the Belgian development policy has to be communalized as soon as possible--which implies at the same time that the General Board for Development Cooperation [ABOS] has to be split--and that the Belgian Office for Foreign Trade [BDBH] has to be regionalized as much as possible. Besides, as far as development cooperation itself is concerned, yet another resolution was approved by the numerous people at the conference, not allowing money for the Belgian Schools in the Third World, military aid to a number of developing countries and certain loans from one state to another to be accounted for in the budget [on paper 0.7 percent of the GNP] which Belgium makes available to the developing countries every year.

The big force behind these surprising new party positions is first of all CVP-Young People Chairman Johan Van Hecke. During the past years the CVP-Young People have become less and less pleased with the fact that their mother party could not succeed in taking a clear position concerning foreign policy. According to Johan Van Hecke that has partly changed now. Also as far as the topicality motion about peace and security is concerned, the CVP-Young People are content. Concerning the medium-range missiles the CVP does confirm its position which was voiced in the parliament on November 8, 1983, according to Van Hecke, but more than ever the emphasis is on a postponement of decision making as long as there is a reasonable chance that negotiations between Moscow and Washington can be resumed and lead to results.

Europe

Yet, there are a number of points of view which the CVP-Young People have not been able to express by way of this conference; among others, the resolution that Europe must dare to take initiatives and well-considered risks to break the impasse and to give peace a real chance. After a personal intervention of CVP-chairman Frank Swaelen who said that the concept of well-considered risks could be interpreted as an impulse to unilateral disarmament, only a very small chance existed that the conference would agree to this resolution of the CVP-Young People. The CVP-Young People also met with a refusal concerning the complete halt of Belgian military aid to the Zairian Army. Only a resolution was approved stating that Belgian military aid to Zaire has to be limited and temporary but that has been included in the government declaration itself since a long time.

The weak part of the CVP conference on foreign policy was the chapter on Europe. Not only were all drafts of resolutions on Europe dealt with by conference chairman Herman Van Rompuy in a record time but also the speech of Bertie Croux who is on the list of election candidates for the European elections, seemed meagre to many people. For that matter, the fact that the CVP is going to the European elections with a list which is too weak, is a criticism which is heard more and more among party militants.

As a matter of fact Frank Swaelen did not mention the European elections much in his final speech. He did say that early parliament elections--at the same time as the European elections--were out of the question. With that Swaelen replied to recent remarks of SP [Socialist Party] chairman Karel van Miert who said that early elections had become unavoidable. For those who had come to this conference interested in foreign policy, Sunday afternoon was a disillusionment, even though Prime Minister Wilfried Martens speech was received with unprecedented applause. For, Belgian topicality lends itself much more easily to a militant speech than a text on foreign policy.

12433

CSO: 3614/52

CENSUS COLLECTION METHODS ALTER FOREIGN POPULATION FIGURES

Paris LE MONDE in French 17 Feb 84 p 24

[Article: "A Deceptively Stable Foreign Population"]

[Text] In March 1982 there were 3,680,100 foreigners in France--6.8 percent of the total population--hardly more than in 1975 (3,442,400) and a proportion comparable to 1931.

This figure is distinctly less than the one given by the Ministry of the Interior (4,223,000 on 31 December 1981). As INSEE [National Institute of Statistics and Economic Studies] has pointed out, the difference is due to the data gathering methods. The census data probably falls short: illiteracy, unstable housing and a high degree of mobility mean that some foreigners slip through the count. In 1975 the census was thought to have underestimated by about 10 percent, but the 1982 census was probably more accurate. On the other hand, the count by the Ministry of the Interior, which is based on the number of valid residency permits, overestimates because it does not take into account foreigners who have left France and probably also includes more children.*

Although the difference between the two figures is considerable, the change cannot be disputed: the number of foreigners rose only 7 percent between 1975 and 1982, compared to 31 percent between 1968 and 1975. This slight increase is due primarily to the arrival of families and the birth of children within the foreign community; the economic crisis stemmed the need for labor in industry and construction and an attempt was made to limit the entry of foreigners into France. In addition, 300,000 individuals, most of them Europeans, were naturalized between 1975 and 1982, which reduced the number of foreigners by a like amount.

However, the country of origin of immigrants has changed considerably. The number of Europeans decreased by 342,000 and they account for less than half of the foreigners in 1982. The most numerous are still the Portuguese (almost

* More surprising and harder to explain is that differences which are about 10 percent for most nationalities are much higher for the Portuguese (about 13 percent), the Spanish (about 20 percent) and the Italians (about 25 percent)!

half of the Europeans, with 764,800), Italians and Spaniards. During this time the number of Africans also increased (+400,000). Although the Algerians (795,000) are still the most numerous, the number of Moroccans increased by 65 percent and now totals 431,000; the Tunisians (189,000) increased 36 percent and black African nations (138,000) almost doubled. Asians (293,000) are still a minority but their number almost tripled, especially immigrants from former Indochina (105,000).

Concentrated in urban areas, over half of this foreign population (57 percent) is located in three regions: the Ile-de-France, Rhone-Alpes and Provence-Cote d'Azur. The Ile-de-France (actually the Paris metropolitan area) alone has one-third of the foreigners, with 44 percent of the Portuguese and 27 percent of the Spanish.

The foreigners, who are employed in industry and particularly in construction and civil engineering, have been hit hard by the unemployment between the 1975 and 1982 censuses. The number of unemployed foreigners has tripled, surpassing 218,000.

9720
CSO:3519/250

CENSUS SHOWS LIFE STYLE, JOB, FAMILY PREFERENCES

Paris LE MONDE in French 17 Feb 84 p 24

[Article by Guy Herzlich: "A Country of Small Landowners Who Prefer the Country-side to the City"]

[Text] A census is a counting, a collection of figures which, accumulated and compared, give a sort of photograph, a state of affairs at a given instant. But the items selected by INSEE [National Institute of Statistics and Economic Studies] from the 1982 census and that were published Thursday 16 February are better than that: they can be used to measure the change in French society during the past years (the last census was in 1975) and they outline the transformations that this society is undergoing today in its activities and life style. The traits of this society are certainly not unknown to us--some are even evident from having been announced or described here or there--but the dry figures of statisticians lend weight to the sociological analyses.

The first trait to appear with clarity is the change in activities and jobs. The years following the war were marked by the agricultural and rural exodus; youth left the paternal farm for the factory. Today a second transformation is occurring: after agriculture, industry is now declining in favor of the services sector (trade, transportation, services). This sector employs almost 60 percent of the working population, while industry employs only one-third (and administrative type jobs, which are more and more numerous within industrial firms, should be deducted at the expense of the laborers' jobs).

The change is too widespread to be linked to the economic crisis which has held sway since 1974 and almost coincided with the interval between the last two censuses. It is not only a question of the "deindustrialization" frequently mentioned by the Communist Party or the CGT, but of France's entering into what American sociologists have called the "post-industrial society," a transformation that is already posing problems for unions born from the working class.

At the same time, professional activity is becoming the jurisdiction of a more limited age span. This is due to prolonging school--two thirds of today's youth do not start to work before age 20--and to earlier retirements, which were encouraged by the economic crisis and "standardized" since then by setting age 60 as retirement age. The change was made possible by working women, who today make up over 40 percent of the active population.

These changes will undoubtedly be accompanied by a new distribution of men throughout the land. Industrialization concentrated people in the cities and the suburbs that resembled them more and more and the larger the city was the faster the growth was. Since 1975, this longstanding movement has been broken: for the first time, small cities and rural communities developed faster than the "traditional" big cities and suburbs. Urbanization today is now less disciplined and new bedroom communities and satellite-villages are forming that will perhaps be the equivalent of American suburbs.

The surge in construction--most housing units today are less than 20 years old--occurred amidst an improvement of material living conditions. Most families can today have a house with modern conveniences (except in very rural areas and in Paris where the housing supply has been renovated the least). The installation of telephones, which became widespread from 1975-1982 surpasses car ownership, which has nonetheless continued to increase.

During the past 10 years, the construction effort has given the French--who were strongly encouraged, if not forced, by the state--the chance to become property owners. Over half now own their principal residence, a development that went along with the individual house. Maintaining this ownership is synonymous with independence in community meetings, but it is less so in practice because it ties people to their homes and makes it more difficult to leave when firms close.

In any case, independence has definitely been won for the family. Even in the country it is rare for two families--or even two generations--to be in one household under the same roof.

This is also a reference point for another major change, that of the family, which has shrunk. In most cases it now consists of one or two children (the census found that only 9 percent of families had at least 3 children under 17) and this traditional family has had difficulty resisting the desire for autonomy of each of its members--the number of divorces increased by 50 percent between 1975 and 1982, as did the number of single parent families (unwed mothers).

Women have achieved their legal autonomy during the last decade as they also achieved material autonomy by working. In two out of three couples under 40, both spouses work.

This liberty won by individuals in French society has as its counterpart the loneliness of an increasing number of them: singles, divorced men and women, widows. A choice of the young, solitude is the fate of the elderly and of women, who account for 60 percent of those divorced and an equal percentage of those over 75 and who are liable to be its primary victims. This is a situation that modern conveniences and means of communication cannot compensate for.

CENSUS REVEALS GROWTH SLOWDOWN; URBAN, FOREIGN STABILITY

Paris LE MONDE in French 17 Feb 84 p 24

[Article: "The 1982 Census Shows a Halt in Urban Growth, a Decline in Population and Stability of the Foreign Population"]

[Text] INSEE [National Institute of Statistics and Economic Studies] recently published the first results of an analysis of a sample of responses (one out of twenty) from the 1982 census. These analyses focus on the age pyramid, the working population, households and families, the housing supply and the foreign population. We are publishing the most important items here.

The Countryside Is Becoming Urbanized

On 4 March 1982, France had 54,334,871 inhabitants.

Population growth has slowed; between 1975 and 1982 it was only 3.3 percent, compared to 5.9 percent between the previous censuses. This slowdown is due to the declining birthrate and to the gradual halt in immigration. This decline was noted in all regions except Languedoc-Roussillon, where growth went from 0.7 percent to 1.2 percent per year, and Aquitaine, where the population continued to increase at the rate of 0.5 percent per year. Have these two regions replaced Provence-Cote-d'Azur as the "attractive area"?

According to INSEE "the most remarkable phenomenon revealed by the results of the census" is "the halt in urban growth. From 1954 to 1975, a period of intense urbanization, the growth rate of both small and large urban areas was greater than that of the country as a whole (it even increased with the size of the city), while rural communities with less than 1,000 inhabitants lost population. From 1975-1982 rural communities, on the average, developed more rapidly than cities." Only cities with less than 20,000 inhabitants increased more rapidly than the rest of the country. "This is the first time in a century that such a phenomenon has been observed," emphasized INSEE.

This is due to a migration toward rural communities. In particular, a detailed analysis shows that city centers are hardly developing at all. If they have more than 20,000 inhabitants they are even seeing their population decline (the decline is greater than 5 percent for cities with over 200,000 inhabitants).

Suburban growth has slowed considerably. On the other hand, in "peripheral" rural communities the population is beginning to increase significantly, at the same time that it is continuing to decline in large areas far from any city.

Fewer Young People, More Older Women

The decline in the birthrate was felt between 1975 and 1982 and slowed the population growth. In particular, it decreased the under-20 population by 550,000 (-3.5 percent); this age group accounted for only 28.7 percent of the population in 1982, compared to 30.7 percent in 1975. At the same time, the number of persons over 60 increased--there were 10,023,000 in 1982, compared to 9,965,000 in 1975. The increase was not any greater and there was even a decline in the proportion of the over-60 age group since 1975 because the smaller generation born during the First World War is now reaching this age.

On the other hand, the number and proportion of very old people (over 75) continued to grow because of increased life expectancy. Since 1968, life expectancy at age 60 has gone from 15.9 to 17.4 years for men and from 20.4 to 22.3 years for women. "Because of this," noted INSEE, "women, who account for half of the population at age 50 (and 51.13 percent of the total population) account for 60 percent at age 75 and for 70 percent of the French population over 80."

Since 1975 the contrast between "young France" north of the Loire (where the proportion of the population under 20 is greater than the average) and "old France" of the south has accentuated. The number of older persons continued to increase in the latter area, both because of demography and because of moves to the Midi at retirement age. Limousin is still the oldest region; the proportion of elderly persons is 47 percent above the French average.

The heavily urbanized Ile-de-France and Rhone-Alpes region have the largest adult population (20-24), but the proportion under 20 is also increasing because of the arrival of young people looking for work; however, it has decreased since 1975 in a "young" region such as Lorraine.

Similarly, the contrast between urban areas (where the working age population is concentrated) and the country (where the largest number of retirees are found--20 percent over age 65) has increased. However, the Paris area has both the smallest proportion of young people (26.2 percent) and smallest percentage of elderly (11.7 percent).

Smaller Families

The family has shrunk with the decline in the number of children and the disappearance of families with 3 or more children. The average number of children per family (1.08 in 1968) went from 1.01 to 0.9 between 1975 and 1982. This figure reflects several changes. A shrinking of the "model family" first of all: the number of families with 2 children increased slightly (300,000 more, or 15 percent), while the proportion of only children did not vary. The number of childless couples also increased significantly; with the decline in the birthrate,

this becomes the rule in middle age. There has been a decline in families with 3 or more children, especially families with 4 children (120,000 less, or -33 percent) and with 5 or more children (137,000 less, -50 percent). Taken together, the latter account for only 2.6 percent of families, compared to 4.7 percent in 1975.

Out of all families, 887,000 or 6.3 percent are single parent families. In 85 percent of the cases it is a woman, generally divorced, who is raising her child or children alone. The number of divorced women increased by 50 percent since 1975, as did the number of unwedded mothers. In 1982 there were 1,425,400 divorced people (858,000 women and 566,600 men).

The size of households (those living in the same house) has also decreased. In 1982 there were only 2.7 people per household, compared to 2.88 in 1975 and 3.10 in 1962. The phenomenon of several families living together is tending to disappear (there are only 152,500 households with 2 or more families, compared to 232,900 7 years earlier and 438,400 20 years earlier). The number of individuals living alone--widowed or divorced more often than single--has increased. Two out of three of these are women, with 75 percent over 55.

However, the number and proportion of people not living in a household (i.e., living communally) has declined. This primarily includes the elderly in retirement homes, religious communities and workers renting rooms; they total only 1,291,800, or 2.3 percent of the population.

Better Housed Families

Families today are better housed. On the average, principal residences have 3.65 rooms, compared to 3.47 in 1985 and 3.08 in 1962. Less than 500,000, or 2.5 percent, were really "overpopulated"* in 1982--two times less than in 1975 and four times less than in 1962. At the same time, over one-quarter are definitely "underpopulated," compared to 21 percent in 1975 and 14 percent in 1962.

These housing units are larger and more modern. All principal residences have running water; 85 percent have a bath or shower and inside toilets; 67.5 percent have central heating. Sixty-three percent of housing units have modern conveniences today; only in Paris and in the North is there a certain lag. Only the elderly are living in housing units without modern conveniences--one-quarter of those over 75 have neither an indoor toilet nor sanitary arrangements.

This improvement in housing is partly due to the modernization of old housing units, especially after 1975 (in 20 years 3 million old housing units had central heat installed). It is also due to new construction, which for the past 20 years has renewed the housing supply in order to keep up with population growth and domestic moves (2.2 million principal residences were built during the last 20 years). Construction has slowed since 1974 as the catching up came to a close. It focused primarily in rural areas (such as Morbihan which is, like the Paris suburbs, the department with the newest housing units) and

* The "overpopulation" calculation is rather complicated. INSEE starts with the idea that a "normally populated" lodging has at least one more room than there are people in the household.

suburbia. There has been a lot of construction in particular in Provence-Cote-d'Azur (because of population shifts) and in Brittany (where two-thirds of the principal residences were constructed since the last war). On the other hand, in the North and in very rural areas over half of the buildings date from before 1948.

Families are more often the owners of these houses. In 1982 for the first time, over half of the French population owned their principal residence (compared to 46.7 percent in 1975). The proportion was distinctly less only among employees. This change, which the administration has definitely encouraged (through the housing assistance policy) was barely slowed by later marriages and the increase in interest rates these past few years. Half of the households that are occupying houses completed since 1975 are purchasing their property. This increase in ownership, which is particularly visible in suburban areas (where 72 percent of owners live), has gone hand in hand with the increase in individual housing, which is now definitely the majority type (54 percent of households).

Families are not only better housed but also better equipped. Over 70 percent owned at least one automobile in 1982 (this rate is especially high for those living in the country) and 16.7 percent even have two (this proportion increases to 40 percent among upper level management and the professions). And they have installed telephones: 75 percent of households have one, compared to 27 percent in 1982 [as published]. Regional disparities remain (84 percent in the Ile-de-France and only 60 percent in the North) but are tending to diminish.

Beginning to Work at a Later Age

Despite the increase in unemployment (which affected 2,059,000 individuals in 1982, compared to 831,000 in 1975), the working population continued to increase between 1975 and 1982. This trend, which began in the early 60's, has even increased, since the working population increased by 1,750,000 persons--compared to 1,400,000 between the two previous censuses--for a total of 23,525,000 in 1982.

This increase had two major causes: demography and working women. During this period the baby boom generation continued to reach working age (800,000 individuals), while the small generation born during the First World War retired. At the same time, the number of working women increased: in 1982, over 60 percent of women between 19 and 45 were still working, compared to 56.7 percent in 1975. The number of working women of all ages increased during this period and in 1982 women accounted for 41 percent of the working population, compared to 35 percent in 1975. Unemployment, which particularly hit women, has not slowed this change, which is linked to life styles and the transformation of jobs.

The working population, which has more and more women, has also decreased in age because of earlier and earlier retirement (which was especially affected by the economic crisis). In 1975, one man out of two aged 62 was still working; in 1982, this was only one out of three. But this decline in age (58 percent of the work force was under 40 in 1982, compared to 50 percent in 1975) has been accompanied by people entering the work force at a later age because of increased schooling. In 1982, 60 percent of 18-year-old men and 72 percent of 18-year-old

women were still in school, compared to 50.4 percent and 58.4 percent in 1975. The same was true of 28.6 percent of 20-year-old men and 34.2 percent of 20-year-old women (compared to 25 percent and 26.6 percent in 1975). The working period is tending to decline because it is limited at both ends.

For several years (practically since 1975), most of these workers have been employees (salaried jobs make up 83 percent of the total), but the division among branches of activity has changed. Agriculture continued to lose jobs--350,000 since 1975--and accounted for only 8.2 percent of the labor force in 1982 compared to 10.1 percent 7 years earlier. Industry, however, lost even more (730,000); it now accounts for only 34.2 percent of jobs, compared to 38.5 percent in 1975. The services sector (trade, transportation, services) gained 1,600,000 and accounted for 57.6 percent of the total. (The creation of several tens of thousands of public jobs by the leftist government in 1981 undoubtedly gave this a push.) The transformation of the industrial society is definitely under way.

These first analyses of the census made by INSEE do not precisely show the changes in socioprofessional categories because of a change in nomenclature designed to specifically follow job transformations. Nevertheless, it can be estimated very roughly, even if the categories do not coincide exactly, that the number of laborers declined by some 500,000 since 1975 (-7 percent) while the number of workers in upper level management positions and intellectual professions increased by about 400,000 (+29 percent).

9720

CS0:3519/250

FORMER AMBASSADOR ISIK ON SHAPING RELATIONS WITH COUNCIL OF EUROPE

Istanbul MILLIYET in Turkish 16 Feb 84 p 2

[Commentary by Hasan Esat Isik: "Turkey and the Council of Europe"]

[Text] At the end of World War II, Western nations, advancing the notion of the need for accountability on the part of government, were much less concerned with defense against external threats to security than with the threat posed by those in power within their own systems, and they were resolved never again to let their leaders have the power to deprive people of their rights and freedoms. It was believed that the greatest danger for mankind and for peace would stem from this quarter. The organization that is most conspicuous among those of the West that continue to preserve this view is the Council of Europe or, more precisely, its Parliamentary Assembly, which is made up of members of parliament from among its member nations.

In time, certain changes in this attitude appeared in West Europe. Although it cannot be said that concern for human rights and freedoms has been abandoned, anxiety about threats that may come from without has become most urgent and, as a result, when it has been thought to be militarily advantageous, it has no longer seemed as objectionable to cooperate with totalitarian powers. Governments, in particular, have taken up this position. The Parliamentary Assembly of the Council of Europe, however, has continued to preserve its sensitivity with respect to human rights and freedoms.

The reason the Council of Europe is more sensitive to the subject of human rights and freedoms than other Western organizations stems not merely from the attitude indicated above, which was dominant at the time of its founding, or because its structure provides for a Parliamentary Assembly composed of its own members of parliament. What differentiates the Council of Europe from the other two chief Western organizations is that neutral nations are included in it. In my opinion, this is why the Council of Europe continues to focus its attention on human rights and freedoms rather than on defense and the economy.

In evaluating relations between Turkey and the Council of Europe, one must keep these facts in mind.

In all probability, no one of common sense in Turkey wants it to break off relations with the Council of Europe. Nor do I see any reason to think that the other member nations could wish for this. But the problem is not a matter of one's wishes; it is a question of one's understanding of democracy.

People are free in their choice of political systems. This is a fundamental principle. In international relations, however, another principle exists: When several nations come together and form a group, it means that they have solemnly pledged that they will remain bound to the various principles to which they, as a group, have committed themselves. It is difficult to be indifferent to a situation in which a nation gives the appearance of continuing adherence to these principles and of having done everything in its power not to violate them and yet has departed from them. In such circumstances, it is improper to take a position on the basis of a legalistic approach alone. And yet it is impossible to give weight to political considerations at the risk of violating the objectives. For then the problem becomes one of the group's meaning and function being destroyed. Nor does the nation that has violated the principles set forth by the group derive any benefit from this. Certainly, no doubt exists in anyone's mind that the important thing for the member nations of the Council of Europe is not the fact of membership itself but rather that they are each the exponent of a democracy that does not fall short of the principles set forth by the Council of Europe.

How Is It To Be Evaluated?

How must Turkey's position be evaluated by the Parliamentary Assembly of the Council of Europe?

The election results have shown that the Turkish people voted in accordance with their own conscience and that they were determined to preserve democracy. In this circumstance, for the Parliamentary Assembly of the Council of Europe to state that "the elections gave no opportunity for the national will to be manifested" and thus not to approve the official reports of our members of parliament is a mistake. But it is also true that several serious problems with democracy exist in Turkey.

The Parliamentary Assembly ought to approve the official reports of our parliamentary members and, following that, set to work with them on the problems with democracy that exist in Turkey. In my opinion, if the Parliamentary Assembly does not pursue this path, it will have made a mistake. And if we say that, "Turkey has now become a democracy and we have no problem with democracy that needs to be discussed by the Council of Europe," we shall be in the wrong.

"Achieving peace in the nation regardless of the cost" cannot be a viable goal for Turkey. At the very least, the goal for us is to secure peace in the nation without going below the level of human rights and freedoms that have been guaranteed by the democratic system envisioned by the Council

of Europe. It is incumbent on us to attain this; and the Parliamentary Assembly of the Council of Europe is within its rights to ask this of us. At this point, it is also necessary to state the following: From the standpoint of the Council of Europe, for a nation that lacks a democratic system to identify itself as a democracy as a result of having held free elections with public participation is insufficient grounds for granting or continuing membership. It is necessary that this system respect civil rights and human rights and freedoms and that its general values conform to the modern understanding of democracy. On the one hand, responsibility falls to our members of parliament to defend the official reports in the Parliamentary Assembly and, on the other hand, to create a system in our nation that conforms to modern democratic thought.

Conclusion

In my opinion, Turkey should not regard as burdensome the sensitivity that will be shown by the Parliamentary Assembly of the Council of Europe on the subject of how Turkey conforms to the democracy of other Western nations. But another topic about which we have true cause for complaint is this: While granting that the governments of Western nations are required to give assistance in order to increase the military strength of a nation that is their ally within one organization, these same governments, as members of another organization, apparently forgetting that the economy and defense form an entity, adopt measures that harm economic development and restrict export opportunities for the same ally. They regard Turkey more as a "market" than as an ally. We have the right to expect that they should act more like allies and take a more humane attitude toward our workers and their families.

Before we can consider Turkey's relations with the Council of Europe, it would be appropriate for us to concentrate on Turkey's relations with the West as a whole--both the United States and Western Europe--and to abandon the idea of pursuing relations that exhibit no coherence in regard to defense, the economy, foreign policy and democracy.

12575

CSO: 3554/156

ILICAK ON LEFTIST EFFORT TO DISCREDIT CWP

Istanbul TERCUMAN in Turkish 10 Feb 84 pp 1, 10

[Text] As the local elections approach, a great deal of activity on the part of the left is being seen. A very clever tactic has been adopted: spreading the word that the CWP [Correct Way Party] is weak, whispering and secretly passing on gossip that the CWP will not participate in the elections, leaving the SODEP [Social Democratic Party] as the only alternative to the Motherland Party [MP]. Thus, to make it possible for the SODEP to become a candidate for ruling party if the MP suffers losses, disorder rises within the party [MP] and an early election comes to the agenda.

Another calculation that is being made is that unlike the Justice Party, the MP does not have a solid and firmly established mass of votes. Since the MP is a new party, it may be affected by events very quickly. A failure may cause a great deal of instability within its structure. With this assumption as a starting point, efforts to weaken the right have been aimed at weakening the CWP.

"The CWP's percentage of votes remains around 5-6... Did you hear that CWP will not participate in the elections... And so on..." It is imperative that the nationalist and conservative masses not be deceived and that they look upon the CWP as a party capable of becoming the alternative to the MP. The idea that "the CWP is the alternative to the MP" should be emphatically defended against the viewpoint that "SODEP is the alternative to the MP." To strengthen this idea and prevent the handing over of Turkey to the left requires the support of the CWP in the local elections.

Mistake in the Concentration [of Voters]

Conditions for elections on 6 November are affecting the coming local elections. Most important of all, the parties that were unable to participate in the [national] elections are deprived of using such an effective medium as television. Although prior to the elections of 6 November special programs were prepared to introduce the National Democratic Party, the MP, and the Popular Party, no such effort is being made this time. On the other hand, the government is advertising easily via the screen. It is normal

that the representatives of the government appear on television more frequently. What is abnormal is that the others are not given a chance to introduce themselves and explain.

It seems that the effects of the extraordinary conditions of 6 November will also continue in the local elections of 25 March. And it is very likely that following the outcome [of the elections] there will be pressure for early [national] elections. Even without a very big change in the MP's share of the votes, a loss in the Popular Party's strength benefiting the SODEP will initiate a dispute over legitimacy. It is quite natural that an artificial system is incapable of bringing stability. The mistake in the concentration makes it difficult to achieve the objective. Thus, if the MP can come out of these fluctuations successfully by preserving its unity and identity, the quest on the right will come to an end.

Otherwise, the CWP is the alternative to the MP. To prevent the left's coming to power within a short period of time and in case of a failure, it is imperative that this party [the CWP] gain strength and obtain a certain percentage of the votes in the local elections despite all of the disadvantageous conditions. Since the elections are scheduled for 25 March, the CWP may not have the chance to pull a cadre together. Persons connected with the party state that this deficiency will be eliminated at a convention to be held after the elections.

Let us repeat that the tactic of the left is to eliminate the CWP and remain face to face with the MP. For this reason, it is necessary that the nationalists try to leave the door always open to the CWP as an alternative.

12531

CSO: 3554/153

KOHEN ANALYSIS OF BALKAN COOPERATION CONFERENCE

Istanbul MILLIYET in Turkish 16 Feb 84 p 2

[Commentary by Sami Kohen: "Trust and Security"]

[Text] In the former Zappion palace in Athens, representatives from five Balkan nations since the first of the week have been investigating possible avenues for various kinds of regional cooperation.

That all the Balkan nations--with the exception of Albania--have come together is truly a significant occasion. Two of these nations, Turkey and Yugoslavia, are members of NATO. Bulgaria and Romania are within the Warsaw Pact. And Yugoslavia is one of the nonaligned nations.

But despite all their differences and even their disagreements, the fact that all of the Balkan countries with the exception of Albania, which has severed relations with all of the other nations except Turkey, have come together in Athens through the efforts of Papandreou, the prime minister of Greece, is an accomplishment that cannot be belittled.

Nevertheless, it should also be kept in mind that although Papandreou has worked for more than a year and a half to arrange such a meeting only in order to consider the topic of the Balkans as a nuclear-free zone, subsequently, at the insistence of Turkey in particular, the agenda was expanded.

Similarly, we see that the actual conference is being held now only after Turkey sent observers to the first meeting last month and that the agenda has now been set in accordance with the views of Turkey. Last on the agenda is the item proposed by Papandreou, "The Balkans as a Nuclear-Free Zone." The topics being debated now are proposals and projects relating to wide-ranging cooperation, especially in areas such as economics, technology, tourism and communications.

It is obvious that no possibility exists for securing an agreement on the subject of making the Balkans a nuclear-free zone. One reason for this is that Turkey is categorically opposed to it. Yugoslavia and even Romania are quite cautious on this topic. Papandreou's enthusiasm and the support of Sofia are totally inadequate to obtain passage of a resolution that requires a unanimous vote such as this one.

Does Papandreou not know this? It is impossible for him not to know it. Turkey has repeatedly clarified its position on this subject. In that case, why has he put so much insistence on the matter? It is certain that the obstinacy with which the leader of PASOK [Panhellenic Socialist Movement Party] has pursued this matter is related to a political strategy that lies outside the realm of his ideological beliefs, that he wants to score as many points for himself in world opinion as he has won within his own country, among his own people, and that he wants to earn a new image for himself as a kind of "apostle of peace."

By this device, Papandreou has managed to make himself a topic of conversation throughout the world. If this was his aim, then he may be considered to have achieved success. But if his goal was actually to declare the Balkans a nuclear-free zone, everyone realizes that, for now, this is a daydream.

By bluntly attempting to steer the conference he arranged toward consideration of the subject, the prime minister of Greece embarked on an unrealistic and unattainable course of action. If the objective is to increase the "security" of the nations of the region by ridding the Balkans of nuclear weapons, one ought to know that it is first and foremost necessary to achieve "trust." The first order of the day for the Balkan nations that are in opposing blocs and even for those that, despite the fact that they are in the same bloc, take sides against each other is to take steps to create an atmosphere of trust. To achieve cooperation on a subject as sensitive and complex as nuclear disarmament, it is necessary for the nations involved to come close to each other in a friendly fashion and to establish mutual trust.

With this objective in mind, the order of the agenda of the meeting in Athens was altered at the insistence of Turkey and with the support of the other nations.

The two Balkan countries with nuclear weapons on their soil are Turkey and Yugoslavia. These weapons are classified as "tactical," that is, they would be used only in the event of war. The desire of the Warsaw Pact members to have them removed is but one facet of their general policy aimed at declaring various regions off limits to nuclear weapons. By this means, the Soviet bloc would weaken NATO's deterrent force in Europe, increase the superiority of its own military and produce a situation whereby, one by one, NATO members would become open targets of its superiority and pressure.

It is impossible to attain worldwide nuclear disarmament by ridding certain regions of these weapons. As long as NATO and the Warsaw Pact lack agreement at the highest level on this subject, regional arrangements can only disrupt the balance of power as well as completely weaken the security of the nations of that region.

There is no doubt that in order to work toward peace and security, cooperation among the nations of a region is necessary.

The Balkan countries will have made the greatest contribution to this end by first of all increasing their mutual cooperation and trust.

TURKISH ARBITRATION IN IRAN-IRAQ WAR DISCUSSED IN RIYADH

Istanbul CUMHURIYET in Turkish 23 Feb 84 pp 1, 6

[Text] Riyadh--President Kenan Evren's statement that Turkey play a more active role in stopping the war between Iran and Iraq, to the extent that he might be willing to go to Tehran personally in order to arbitrate provided he is "convinced that it will have a positive outcome" is not a surprising development because President Evren had already made his intention known at the Islamic Summit in Casablanca.

President Evren had clearly stated in a long private talk in Casablanca with Perez de Cuellar, secretary general of the United Nations, Turkey's wish to "take an active role" and the possibility of "arbitration" were this deemed beneficial.

In this regard, it is not surprising for Evren to declare his intention in Riyadh, but it is meaningful, because the president of Turkey made this statement in Riyadh to the king of Saudi Arabia, a country that has sided with Iraq against Iran from the beginning of the Gulf War.

Thus, this message in Turkey's name from the highest level is being sent from Riyadh to Tehran as well as to some Western powers that wanted Turkey to give weight to Iraq in the Gulf War.

The meaning of the message sent by President Evren is this: Turkey feels anxiety for the region and for world peace on account of the Iran-Iraq war as well as profound grief. Turkey, as the sole state with common borders able to continue its dialogue with both of the warring sides, will maintain this attitude to end the war. Turkey has adopted as a basic principle the continuation of this dialogue with both sides, keeping in mind its own security requirements as well as its national interests. According to a high-level Foreign Ministry source's interpretation, Evren openly informed King Fahd of Saudi Arabia that "Turkey is willing, intent and resolved on this policy."

Naturally, the Saudi regime wishes otherwise. There is not doubt that Riyadh would feel great pleasure if Turkey would tip the balance in favor of Iraq. As a matter of fact, they made this wish known diplomatically in formal negotiations and more openly in personal talks. For example, at dinner the

previous evening at the Dome Palace, a high-level foreign official who sat at the same table with Minister of Foreign Affairs Prince Faysal and Petroleum Minister Zaki Yamani had the chance to learn what the Saudis think about the Gulf War from the most qualified mouths.

Yesterday afternoon our foreign minister, Vahit Halefoglu, also heard the same views from his colleague, Prince Faysal. At one point in the conversation Halefoglu said: "Dear Minister, let us not cover all the topics. We will talk about some of them when you come to Ankara."

Faysal replied: "Dear Minister, somehow or other, many more matters will come up and we will find a lot to talk about in Ankara as well."

Right after this reply, the prince conveyed to Halefoglu the latest news from the Iran-Iraq front and the development of the new Iraqi counterattack.

There is doubtless great benefit in the realization by the Saudi regime that it is of great importance for Turkey to continue the dialogue with the warring sides in order to end the war. We hope that the Evren-King Fahd meeting contributes something in this respect.

12591

CSO: 3554/165

MUMCU ASSESSES MEANING OF 'LIBERALISM'

Istanbul CUMHURIYET in Turkish 23 Feb 84 pp 1, 11

[Text] Liberal thought defends individual liberty in every area. Those who defend liberalism in the economy and restrictions on thought in politics are not called "liberals." Liberalism covers a wide range. Here, one never encounters a liberal of that description.

More correctly, on the subject of liberalism, a half-baked sort of cooperation is being undertaken between so-called rightists and leftist pretenders. Rightists in economics and leftists in politics are defending liberalism. Just have a look around; have you ever encountered a rightist who would say, "There can be no crime of conscience."? Do not waste time searching; there aren't any. The liberalism of conscience of leftist pretenders also falls short.

Liberalism in the economy has come to mean the supremacy of the privileged corporations. As a result, what remains of liberalism is the privileged rule of 5-10 corporations and 3-5 family banks. In addition, naturally, the IMF prescriptions....

If you say "Westernization," it has long been bastardized. In Ataturk's lifetime, Westernization meant "contemporary civilization." To become one with Western civilization within a "fully independent" political structure was one of the fundamental targets of Kemalism. Now, when we say "West," only "foreign capital" comes to mind. Free thought and the bourgeois civilization that made the West the West are ignored. When the "West" is mentioned, the intellectual and art world of the European continent, which nurtured its freedom, is skipped over and only transatlantic foreign capital is being relied upon.

Has not our prime minister clarified his point of view very dramatically on the subject of political relations with the West?

"The West Doesn't Phase Us"

Does it phase us? Does it not phase us? Should it phase us? Should it not phase us? That is a different matter. All right, what do we understand by "liberalism"?

We understand this: Let a few corporations dominate, let foreign capital come and at the same time let us keep workers' wages as low as possible within a rule of strict order. Base price? Here also let us forget freedom, let us calculate by administrative decrees the price of the peasants' produce. As for the civil servants, they have neither unions nor associations. As for the university, the faculty cannot very freely criticize the established order. Most of those who are able to open their mouths are nightingales for capital who are linked to the holding company safes. Those who were forced to stay away from the university for one reason or another--what can they do, they must earn their bread?

All right, then, where is liberalism?

Our difference of opinion with our "progressive" friends who defend Ozal's IMF model springs from just such ideas.

This "Friedman model"--whatever that is--is being applied generally in countries where there is no political liberalism. This order ought not be the order defended by Adam Smith, the father of liberalism. Naturally, this is not a liberal order. Anyone with a "lick of education" knows this. Knowing this, why are our "progressive friends," who have lots more than a smattering of education, defending with heart and soul this "a la turca capitalism"?

Perhaps the problem is this: Whatever measure of freedom you allow for capital, you must allow the same measure of freedom to labor. And to labor and capitalists, you must give political freedom equally. This is what democracy means, this is what democracy for the masses means. Liberal order means this. Who's kidding whom, for the love of God?

Take a look at developments: There are two main paths. One of them, today's economic liberalism minus political liberalism, more correctly--if you observe its implementation--monopolism. In opposition, in every area, etatist, interventionist, planned, free and participatory democratic socialism.

This is how it should be. What is happening, however, is another matter. What we call "a la turca capitalism" is a monetarist system with the IMF stamp on it, on the road to monopolism. Against this, an indecisive horde muttering, murmuring and occasionally grumbling "we are social democrats" whose intentions and actions are unclear.

It is necessary to change this scene immediately. To change this tableau, there is no possibility of turning our a la turca capitalists into genuine liberals. If you ask why, the political climate of the system is not very suitable for freedom of thought and organization. Naturally, this, first of all, is the problem of those who come out into the open under the umbrellas of rightist--conservative--nationalism.

The problem of the left springs from a little bit of confusion over principles and interpretations. "Leftists" must declare themselves "democratic

socialists." More precisely, those who have the heart to say "I am a democratic socialist" should declare their candidacy against the Ozal model and together with their candidacy should proclaim their concrete proposals. This is what "opposition with principles" means.

Such a democratic social party (1) makes the independence of the country its crown; (2) adopts a lawful state as the only and irreversible order; (3) attaches itself tightly to the ideology of the war of national liberation; (4) defends an etatist, interventionist and planned economic order; (5) aims at providing an accord in a lawful state among various classes, groups and ideologies; and (6) becomes participatory and freedom-loving in every respect.

There is an Ankara song: "Alas, alas, it's not happening; the maid is not finding her mate." Now, everything is like this. Democracy does not depend on a balance of genuine liberals and democratic socialists.

As it does not depend on this, it is becoming like that.

We would be grateful to our progressive friends if they were to use their pens a little bit for the freedom of conscience and organization as much as they use them for high interest rates, which they praise endlessly. They forget their leftistness; what can we do, "blame it on rain"? If only they remembered their liberalism.

It is a bit of a shame....

12591

CSO: 3554/165

OVERT, CLANDESTINE WEAPONS SALES GROW DESPITE OFFICIAL STATEMENTS

Amsterdam ELSEVIERS MAGAZINE in Dutch 3 Mar 84 p 19

[Article by Jan Schils: "Weapons Replace The Ideals Of Leftist France"]

[Text] Francois Mitterrand's France ignored all election promises and firmly consolidated its third place position on the world weapons market. The population of France exports more weapons per capita than the United States or the Soviet Union. The character of the buyers is taken into consideration less and less.

At about the same moment that Jacques Mitterrand, the president's brother and highest boss of one of France's most successful weapons factories (SNIAS), negotiated two important arms contracts in Saudi Arabia in 1981--a job which his brother, the president, all but rounded off in September of the same year--Prime Minister Pierre Mauroy and chairman Lionel Jospin of the Socialist Party each made an untruthful statement in front of the French public. At the time Mauroy said literally: "France is increasingly committing itself not to be a large seller of arms any more at an international level," and Jospin was going even further by remarking on radio and television: "The soundness of the French economy cannot be based on cannon traders."

Figures published after that and weapons transactions which became known later on, show that the truth is quite different. In 1982 French arms exports totalled FF 42 billion (more than 16 billion Dutch guilders), 1983 showed a decrease to 12 billion whereas the recently concluded contract with Saudi Arabia to supply technically advanced anti-aircraft systems yields 15.5 billion Dutch guilders at one blow and for all of 1984 about FF 70 billion (27.2 billion Dutch guilders) worth of arms exports are expected.

The time when the Left as the opposition party called Giscard and his people "cannon sellers" left and right, in- and outside of parliament, is not even 3 years ago. Now the reverse is the case: France has clearly chosen for an important role as arms dealer. There are several reasons for it.

Objections

Shortly after the transfer of power in France, Jacques told his brother Mitterrand that the Left had to abandon all moral objections to the arms trade (to the extent

that there were any) because "independence is not possible without a strong weapons industry". Mitterrand, now president and the chief responsible person for the country's economy, lost his earlier scruples at once, also because the economic situation was getting rapidly worse and among other things, the trade gap caused him a lot of concern. And it was the weapons trade which was of vital importance to balance the trade balance again. Besides, his ministers, including Jacques Delors and his protégé Edith Cresson (who ended up at Foreign Trade later on) showed him that a decrease in arms production would endanger the employment of 300,000 people and another 100,000 to 150,000 in all types of supporting industries.

At about the same time the Ministry of Foreign Affairs presented a confidential statement to the president which explained very clearly that canceling French weapons exports could be particularly harmful to the French political prestige in the Arab world, South and Central America, India and the Far East. Furthermore, a report was presented to the president, proving beyond any doubt what was already obvious: the French Army would not be able to have the present (and also not the future) advanced weapons systems if the national weapons industry would only produce for the home market.

Therefore, Mitterrand had to totally change his policy concerning the weapons industry and weapons export. The fiercely propagated "stratégie pour le disarmement" [strategy for disarmament] disappeared from the president's vocabulary and there is also no more question of shelving the Mirage IV (nuclear retaliation) and dismantling the missiles on the Albion Plateau (part of the "force de frappe" [strike force]). Since that time the Left worked politically as well as materially on a powerful strengthening of the defense and the weapons export, to be effective immediately as well as in the future.

As a gesture towards public opinion and in order to save appearances as far as the election promises are concerned, Mitterrand did state clearly that "no weapons will be supplied to fascist and racist regimes or to areas where fighting is going on".

Clandestine

But the Left also did not keep this promise. Lots of French weapons are shipped or flown to countries such as South Africa, Iran, Nicaragua, El Salvador and Libya, not only by way of the official weapons export but also by way of the clandestine weapons trade.

Large quantities of French weapons ended up in South Africa for instance by way of African countries and Israel; this appears from a confidential report of the French intelligence service. In Chad Libyans and rebels are fighting government troops and the French intervention force not only with East European weapons but also with French weapons which make up at least half of the weapons. And in Lebanon all fighting parties use some French weapons which left the French factories after 1982.

Weapons export to South Africa was officially halted in 1981. Now it appears that that country still receives large quantities of French weapons by way of detours. South African diplomats in West Europe even admit it. It appears that Egypt even "lent" French weapons to its neighbor Sudan on a large scale because it no longer feels threatened by Israel...

Besides, it is clear from the French defense program for the period 1984-'88 (5-year plan) that the leftist regime leaves nothing to chance and has chosen for a steady increase in weapons production, weapons export and armament of the French Army. We learned at the Ministry of Defense that the government pledged--irrespective of whether the economic recession will continue or not--to increase the defense budget by at least 2 percent per year, or by 10 percent in 5 years. During that period Defense will spend FF 830 billion (322 billion Dutch guilders) on technologically very advanced weapons systems. The emphasis will be on nuclear deterrence.

Backbone

One of the most important projects is the Mirage-2000 program. This new fighter plane is going to be the backbone of the French Air Force and has only been made possible because, besides the construction of 160 of these "super fighters" for the French Air Force, Abu Dhabi contracted for 18 planes, India for 40, Egypt for 40, Peru for 26 and Greece for an unknown number (probably 35 planes).

France is also assured of supplying several countries with hundreds of tanks of the AMX type and helicopters of the Puma type which because of their missiles, are of a clearly offensive nature. Apart from Iraq which recently received the Super Etendards equipped with the feared Exocet missiles of which the British have painful memories, some five more countries are lining up for this successful French weapon.

But the leftist regime is also thinking of the future of the French weapons industry. Apart from Defense Minister Hernu who travels all over the world in order to sell French weapons, an institution such as the "Délégation générale pour l'armement" [General delegation for armament] in the Rue St Dominique in the government district of Paris, is very busy with the future of the French weapons industry and export. This institution which is full of military and technical advisers, has noted a saturation as far as weapons are concerned in the Arab world and therefore, it urges a new approach.

On The Spot

It is true that France should stay alert on the traditional markets (Arab world) but it should conduct a more forceful export policy in the Third World. In that context, the advantage of building factories in those countries which make complete French weapons systems with personnel trained there, is pointed out. France would have to act fast because foreign competition (the United States, the Soviet Union but also India, South Korea and Brasil) is increasing all the time.

For instance, Brasil is already supplying weapons to developing countries.

France would have to offer weapons factories and systems as turnkey projects in the Third World according to the "Délégation" which further points to an "immense market in Latin America", and in that context it asks for reorientation of French foreign policy. By the way, that could lead to a confrontation with the United States.

In the Middle East Paris clearly tuned France's politics to the weapons supplies which went to that area earlier. In Latin America there is a trend to supply weapons to countries which are not directly on friendly terms with Washington such as Nicaragua and Mexico.

Can France keep this up? One may wonder. In brief, practical, political and economic reasons have made the leftist regime in France into a "cannon producer" of which the Giscard-gang could have been jealous. Minister of Trade Edith Cresson thinks that her country's share of 10 percent in the international weapons trade is meagre, even more so because the United States and the Soviet Union together control 75 percent of the weapons trade.

The French weapons industry wants to increase that share by 5 percent within the next 5 years. There is not a leftist minister who opposes such a target anymore. Even the clandestine weapons business is more than happy. Never has there been so much export freedom since the Left has given free play--also morally--for the sake of an industry, the export of which is of decisive importance to the trade balance and partly to the survival of the leftist regime. Who would have thought that 3 years ago?

12433

CSO: 3614/51

MOCK NUCLEAR ATTACK EXERCISE BRINGS LITTLE RESPONSE

Civil Defense Measures

Dublin IRISH INDEPENDENT in English 27 Feb 84 p 1

[Article by Bernard Purcell]

[Text] Ireland was the victim of a nuclear holocaust yesterday...and no-one noticed.

The recent horror film "The Day After" caused more ripples of concern than the doom-laden warnings broadcast on RTE radio.

The "disaster" was a Civil Defence exercise, "Network '84," and involved more than 4,000 people, mainly in uniform. But while they were braving the radioactive fallout the rest of the population chose to die in their beds.

RTE Radio 1 instructed listeners between midnight and 6.0 a.m. yesterday to take precautions against radioactive fallout. There were even special tests to prevent the failure of phone and radio links due to Electro Magnetic Pulse.

The EMP effects are felt when nuclear weapons are strategically exploded high into the atmosphere. But while the sky was the limit for the exercise, most people appeared to have heard quite enough about radiation in the last week, albeit from a different source.

Defence Minister Mr Paddy Cooney admitted that Ireland did not rate highly as an international target. But the scenario was based on six nuclear bursts in the English midlands--following a well-worn and illuminated path across the Irish Sea.

Meanwhile, the Dublin-based National Co-Operative Council last night urged the Irish Building Societies' Association to consider granting mortgages to build nuclear shelters.

Defense Department Role

Dublin IRISH INDEPENDENT in English 27 Feb 84 p 5

[Article by Tom Shiel]

[Text] The Minister for Defence, Mr Cooney, expressed scepticism over the weekend as suggestions that Ireland is targeted by the superpowers for a nuclear strike in the vent of war.

However, it is very unlikely that we would escape radioactive fallout from explosions in Britain, Mr Cooney stated in Athlone early yesterday.

We should not flatter ourselves that we are so important as to merit a nuclear strike, the Minister told reporters at the local Custume Barracks.

He visited the Barracks for Network '84, the annual countrywide Civil Defence exercise which involves more than 4,000 people, mostly Civil Defence wardens.

Under a billet block at the barracks lies the Civil Defence National Control Centre, a network of reinforced concrete rooms, which would probably house the Government in time of war.

The latest exercise, the first to concentrate on issuing warnings to the public about fallout, involved the staff of various emergency control centre, the Army, Observer Corps, the Gardai, The Meteorological Service, Bord Telcom and Irish Lights all of which would have vital functions in an emergency.

RTE Radio 1 was on the air continually from midnight to 6.00 a.m. instructing listeners to take precautions against radioactive contamination by fallout.

The whole exercise was based on the hypothetical scenario of six nuclear bursts in the English Midlands with plumes of fallout drifting across the Irish Sea.

The National Control Centre in Athlone, which has its own transmitting studio for broadcasting warnings to the public via RTE, has accommodations for 300 people.

The Centre was fed information yesterday by an estimated 4,000 wardens with special measuring equipment, officers in 350 selected Garda Stations as well as light-house keepers around the coast.

Crucial to any civilian protection is the Meteorological Office which predicts the path of a fallout by studying weather patterns.

According to Mr Michael O'Gabhlain, Principal Office in the Department of Defence, casualties here would be minimal in a nuclear war barring a direct hit, if civilians took simple steps to protect themselves.

The Department has published a set of House Building Plans which includes radiation protection facilities.

During yesterday's exercise there were special tests to deal with the failure of phone and radio links due to EMP (Electro Magnetic Pulse) generated by nuclear weapons strategically exploded at a high level in the atmosphere.

It is likely that EMP would be used strategically because it destroys an enemy's response capacity. Even if exploded over Mainland Europe, airburst bombs could wipe out communications here.

If all else fails, said Civil Defence Officers taking part in yesterday's exercise the various wardens equipped with radiation measuring equipment would be able to take the initiative in their own areas by warning house-holders.

CSO: 3600/18

BIRAND WARY OF F-16 DEAL'S INFRASTRUCTURE, FINANCING

Istanbul MILLIYET in Turkish 10 Feb 84 p 7

[Article by M. Ali Birand in the column "Corner": "Probably He is Joking"]

[Text] We could not conceal our astonishment when we read the announcement recently made by the honorable Defense Minister Zeki Yavuzturk to TERCUMAN.

"The first aircraft will be ready to fly at the end of 1987", announced the honorable Minister in answering questions in reference to the F-16 project and stated that out of the \$4 billion total cost of the project, \$3 billion will be met by the military credits and aid from the United States, and \$1 billion will be covered by Turkey over a period of 10 years. He also emphasized that in addition to this, Turkey's share of \$1 billion will be supported by a direct and indirect offset agreement to be made with the General Dynamics Corporation.

To be quite frank about it, we could not understand anything from this announcement made by the Minister. Either his words were incomplete or he could not bring his case to the public very well.

1. We are very curious to know how the first F-16 aircraft will be ready to fly in 1987. How are we planning to produce an F-16 within 3 years in a plant where the buildings' basic construction has not been completed, the machinery has not been set up, and the minimum training of at least 1 year has not been started yet?

Or has the Minister not been told that at least 2 years are needed (with the most optimistic calculations) to complete the infrastructure, to finish the training and familiarize the workers with the machinery?

This calculation [Defense Minister's] could be correct under one condition only. That is, if a couple of F-16 aircraft completely assembled in the United States would be brought to Turkey at the end of 1987, the general testing facilities of the TUSAS [Turkish Aircraft Industry Corporation] would be used and the first flight test would be performed. After being adorned with great care they would be presented to the press as "the first aircraft produced in Turkey."

This, of course, could not be called a "show."

2. Also the information given by the honorable Minister in reference to the sources and means to meet the expenditures of the F-16 project appeared to us a little confusing. It is being stated that the \$3 billion portion of the project would be covered through the annual military loans and military aid from the United States. We all know it very well that besides the traditional annual aid it has given until today, the Reagan administration will not give any additional money for the F-16 project. The \$3 billion will not be met through the military-economic support budget given to Turkey each year. Yet, for the 1984-85 period the Reagan administration has asked, as it did the previous year, \$930 million for Turkey; and again like last year, around \$700-755 million of this will pass by the Congress. There is a chance that this year's amount could be even a little less. The upcoming Presidential and Congressional elections this year, and the mounting tensions over the Cyprus issue are factors which could increase this possibility.

According to the honorable Minister's calculation, \$300 million from this United States aid will be set aside for the F-16 project each year. In that case, from where and how will the other needs of the armed forces that are being covered by this American aid, and the needs of the other forces [Army, Navy, Gendarmerie] for modernization be met?

Probably the honorable Minister is forgetting. With the present value of the dollar the F-16 project is \$4 billion. In accordance with the dollar's value in 1994 it will most likely rise to \$10 billion. So, how will this difference be closed?

In any case no agreement can be made with the General Dynamics by saying: "By God, we will have a clean \$100 million each year; you should find the rest from wherever you can." At least General Dynamics could not be that naive.

3. The honorable Minister is indicating that an offset agreement covering a 10-year period and \$1.5 billion will be made with the General Dynamics corporation. As it is understood, this agreement has not been completed yet.

It should not be forgotten, however, that such agreements, in their fullest sense, do not bind the corporation. They contain many open terms. Besides the fact that the realization of the agreed sum depends upon many preconditions, the corporation can wash its hands of the agreement by paying a compensation between 5 and 9 percent if the agreement does not materialize. To say it another way, this is not money that should be looked upon as guaranteed.

As a result we are getting the impression that no down-to-earth planning-calculation has been made for the F-16 project requiring substantial spending for Turkey. Yet, we were expecting a different approach from the Ozal government, a government that takes everything into account.

Either there is a mistake or most likely, the honorable Minister is playing a joke on us.

12531

CS0: 3554/150

CLYDE BASE FOR TRIDENT-CARRYING SUBS EYED BY GOVERNMENT

London SYNDAY TELEGRAPH in English 4 Mar 84 p 1

[Article by George Jones and Desmond Wettern]

[Text] Government proposals to build a base on the Clyde for submarines carrying the new Trident nuclear missiles are to be announced soon.

The multi-million pound shore facilities for Trident will be alongside the present Faslane Polaris base. There will also be a new armament depot at Coulport which is nearby.

The formal application for planning permission to Dumbarton district council is now imminent, and will be accompanied by the publication of the Ministry of Defence's plans for the new base. It may be referred to a public inquiry which could provide a new focus for anti-nuclear demonstrators.

Mr Younger, Scottish Secretary, will have to decide whether to call in the planning application for a public inquiry. Defence officials believe he is likely to do so because of intense local interest.

The new shore facilities for Trident will be considerably smaller than those originally planned as a result of the Government's decision to use United States facilities at King's Bay, Georgia, to service the new missiles.

This is expected to save some £500 million on the provision of facilities in Britain as well as bringing a long-term reduction in operating costs of £700 million.

However, new facilities at Faslane will be needed to service the four Trident submarines which will become operational in the 1990s.

The Trident system will replace the current Polaris submarine nuclear missile force in the mid-1990s. The Royal Navy will have four new submarines, each carrying 16 missile tubes.

The American-built Trident missile will carry multiple nuclear warheads, and defence experts estimate that the proposed British force will have the power to destroy almost 900 separate targets compared with 64 by Polaris force.

The decision to announce plans for the new base comes amid continuing doubts among MPs and some Ministers about the Trident programme, particularly because of rising costs. There is optimism in Whitehall, however, that the updated cost figures for Trident--due to be published by next month--may be just below the widely-expected figure of £10 billion.

When the programme was first announced in July 1980, the cost was put at £5 billion. By last year this had risen to £7.5 billion, but a report from the National Audit Office last week put the figure at just under £7 billion as a result of the decision to refurbish the missiles in the United States.

This figure, however, is based on September 1981 prices and exchange rates, and the sharp fall in the pound against the dollar as well as inflation, means that costs will have risen sharply.

The Ministry of Defence's financial control over the missile programme has been praised by parliamentary "watchdogs" on public spending, and officials say they see no sign of any weakening of the Government's commitment to Trident.

"The only question mark which could be placed on Trident would be if progress in disarmament talks reached a stage where there was a re-think about our whole nuclear posture," said one senior defence official.

The first Trident submarine is expected to be completed about 1992 with work due to start at Vickers shipyard at Barrow-in-Furness in late 1987.

But it is likely to be 1996 before the fourth Trident submarine is in service which will mean that some of the present four Polaris submarines will have to remain in service until then to enable the Navy to maintain a credible deterrent.

As a result there can be no question of simply switching repair, maintenance and stores facilities from Polaris to Trident and the two systems will operate side by side for some years.

Provision of workshops, stores and accommodation for, perhaps, 2,000 more sailors and civilian staff for Trident submarines, in addition to the 2,500 already servicing the Polaris submarines will mean taking in the site of a former shipbreaking yard.

CSO: 3600/17

POLARIS SUBS TO BE RETAINED PENDING TRIDENT COMPLETION

London THE DAILY TELEGRAPH in English 5 Mar 84 p 8

[Article by Desmond Wettern]

[Text] Major changes in the organisation of the Navy's warship repairs and refits are expected because of the overlapping of the Trident and Polaris nuclear missile systems.

The pressure on Naval dockyards has also been increased by the need to modernise ships in the light of lessons learned in the Falklands.

Mr Heseltine, Defence Secretary, is keen to overhaul the system of refitting warships and is thought to see this as one of his most important tasks.

Moves towards this include opening up top management of the dockyards at Devonport, Rosyth and Portsmouth to outside candidates.

There is also the possibility of putting dockyard finances on a trading fund or commercial basis comparable to that of the Royal Ordnance Factories.

Credible Deterrent

The first of the four Trident missile submarines is expected to be completed around 1992 but it will take up to a further four years to get all four in service.

During this time it will be necessary to retain some of the four Polaris submarines to enable the Navy to maintain a credible nuclear deterrent.

Devonport Dockyard may, for a time, repair Trident submarines as Rosyth is fully committed to refitting the Polaris submarines, work which takes two years in each case.

If Tridents are added to Devonport's workload, which includes the refit of three hunter-killer submarines, alternative yards will have to be found for other work.

This includes updating the air defences of the 12 Sheffield Class missile destroyers with rapid fire "Gatling"-type guns recommended after the Falklands war.

Long Refits

Long refits at Portsmouth abandoned as part of the 1981 rundown are to be resumed. But the Government may switch as much as 30 percent of warship refits and repairs to British Shipbuilders.

Few outside yards have the resources to do work such as overhauling electronics equipment, but a solution may be to involve suppliers directly on site if unions agree.

CSO: 3600/17

HESSE EMPLOYER GROUP POSITION ON GUEST WORKERS

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German 5 Mar 84
p 3

[Article: "Considerations on an Aliens Policy"]

[Excerpts] Since the CDU/FDP coalition came into office, no change has been suggested in the aliens policy. Not for the good reason that the aliens issue has gone away by itself, as it were, because either the number of foreigners in the FRG has dwindled or their integration has made headway. The opposite, rather, is the case. Instead of more integration, one finds a budding hostility to foreigners. Their number may be stagnating, one may have reports about returnees (by means of official subsidies). The wave of Turks when associated with EC that may hit the FRG beginning in 1986 has not yet been averted.

For that reason it is useful emphatically to recall a 1982 draft by the Hessian employers associations for an aliens policy. It was compiled by Dr Karl Heinz Hamprächt, Anton Graf von Magnis and Dietrich Nabel.

This concept of a clear-sighted aliens policy is based on the following five guidelines:

1. It is not tolerable for millions of people to live in our country with their families for decades without accepting this country as theirs.
2. We need the foreigners. So we seek to motivate those who accept it to stay. All possible assistance should be given them for it. Those who find it intolerable to become Germans should however not stay permanently.
3. If foreign workers are to get a work permit in the future, it should be done according to rotation. Both sides must understand that from the outset.
4. Essential requirements for an official aliens policy are: Constitutionality, long-term arrangements and a limitation to the setting of basic conditions.

5. The first indications of a budding hostility to foreigners are being perceived. The policy must go into effect while the vast majority of the Germans can still tolerate the presence of aliens. Once public opinion changes, prudent measures will no longer even be accepted in public.

A Sensible and Coordinated Concept

The essence of our considerations on an aliens policy is summarized in the following six points:

First, a policy we could wish, that would encourage aliens to assimilate, should be open-ended in two respects:

--There are quantitative limits. It is easier to integrate 3 or 4 million than 7 or 8 million aliens. In other words, the number as of now must not be raised but, if possible, trimmed.

--Political radicalism and crimes committed by aliens make the acceptance of aliens by the German population more difficult. That calls for target-directed countermeasures.

These two aspects lead to the "limiting measures" asked for.

Second, a policy that would encourage aliens to assimilate calls for an active participation by the aliens themselves. Thus it makes sense to demand of the aliens evidence for successful integration efforts on their part. Examples might be graduating from a German school or at least a certain minimum facility in German and some knowledge of German law and German circumstances of life.

Third, a big reason for integration to fail is the fact that most aliens do not know themselves whether they and their families will or will not remain in the FRG for any length of time. That cuts down the readiness to focus on German circumstances of life. That is especially bad for the children. Aliens living here already should be given 5 or 10 years to decide whether they want to stay in the FRG or not. They should know that a permanent residence has to lead to a full integration, terminating in German naturalization. Unless they accept that consequence, they ought to return home.

Fourth, for the sake of the future we have to learn from the mistakes of the past. To the extent that it is urgently needed for labor market reasons, foreign workers should get a work permit for a limited period (rotation), without any eventual family reunification authorization, however. Aliens living here and not from EC member countries (only to those these considerations apply) then either are German citizens (after the period of 5 or 10 years) or they have to leave the country.

Fifth, successful integration can succeed only over the long run. After 10 years of having no aliens policy, things should not now be done suddenly and all too hectically. We need prudently considered political decisions that remain in effect over long range and grant all those concerned the opportunity to adapt calmly and sensibly to the circumstances.

Sixth, as important as long-term arrangements in aliens policy measures is that the state--wherever possible--confines itself to setting basic conditions in order to apply also in this field the subsidy principle (e.g., in carrying out "encouraging measures" through local initiatives).

Limiting Measures for the Benefit of All

Measures to limit and possibly reduce the number of aliens in our country:

--Maintaining the influx stop for non-EC aliens.

--Associating Turkey or other states without free movement.

--Limiting family reunification. Only children with both parents already living in the FRG and not yet above the age of 16 should be allowed to enter. An arrangement holding to the sixth year of age as the limit seems more sensible.

--Reintegration programs on a voluntary basis with the option to return within the 5 or 10-year period. While encouraging return one must keep in mind the repayment of pension and unemployment insurance deductions and the returnee bonuses which have to be paid back of course when the alien in question exercises his right to coming back again. Counseling should also be offered on his making a new start in his homeland.

-- If the residence permit in case of unemployment is to be confined to one year, the sequential arrangement for finding jobs as practiced today will have to be abandoned.

Limiting measures to reduce political radicalism and crime:

--Prohibiting political activities for aliens after the Swiss pattern.

--No special voting right for aliens. Through elections, including communal elections, decisions are made on future living conditions in our country. So it makes sense to withhold the voting right from aliens because the future of the whole country is not what they naturally care about.

-- Sharpening the practice of extradition, as in the case of illegal residence and crime.

Measures Encouraging Integration

The limiting measures proposed above have to be balanced against more integration opportunities for aliens who want to stay here. Such measures might be:

(a) Priority encouragement in the preschool and school sector. That includes many already practiced and proposed measures (e.g., tutoring in German and other subjects, bilingual instruction, encouragement opportunities outside of instruction [help in homework, leisure time opportunities], textbooks in all subjects emphasizing German as foreign language).

Important is that school authorities, schools and free initiatives are given a free hand, even for unconventional measures, as routine arrangements all throughout the country are unsuitable.

A proven performance, not one's nationality, always ought to be the criterion. At the age of 5, foreign children ought to take a preschool test. If they make out below par, attending a preschool class ought to be mandatory. Classes for national or foreign groups can be set up when certain foreigners' percentages make integration impossible (an example is the railway station district in Frankfurt/Main). German children should then be offered classes with normal performance standards. Foreign children who no longer have linguistic deficits must then at once be admitted to such classes.

The object of schooling for foreign children clearly must be to qualify them for living in the FRG. Trying to prepare them at the same time for the life in their homeland as well taxes the school and the children too much and brings it about that the children can manage neither here nor there.

(b) Expanding options after proven achievements also calls for freely selecting grammar schools. Else one would compel parents of German children as well as parents of foreign children who no longer have language deficits to move away from urban districts with dense foreign populations.

(c) The failure of the current school system in taking charge of foreign adolescents is only one example that demonstrates why basic elements in the school system have to be reviewed. The main general school should again gain in importance, practical, aesthetic and emotional subject orientations should be stressed, and the academic pitch should be turned down as a leitmotif for general school policy.

(d) Another major promotion area ought to lie between one's school and one's occupation. Adolescents who neither attend a vocational school nor have found an apprenticeship must get a free choice between a preparatory vocational year during their schooling and promotional labor administration courses. Experience tells us that a cooperative vocational preparation year ought to be set up--and not only for foreign adolescents.

(e) The vocational training criteria ought to be reviewed also in this context. The clues here are: more occupations calling for 2-year training, setting up qualification steps between unskilled and skilled workers, and separating in time the practical from the theoretical qualifying examinations for workers.

(f) Employers ought to reinforce material incentives again for higher qualifications. Wages for unskilled and semi-skilled workers rose relatively more in recent years than those for skilled workers. Unless adolescents realize that they can make more money only through higher skills, we make them lose their motivation to try harder.

(g) Special importance, finally, attaches to urban renewal to provide Germans with attractive housing opportunities. Setting quotas for aliens in housing areas or, let alone, housing allocations in terms of a planned economy must, however be rejected.

5885

CSO: 3620/221

TRADE AGREEMENT REACHED WITH USSR TO BALANCE DEFICIT

Paris LES ECHOS in French 6 Feb 84 p 6

[Article: "Agreement Between France and USSR"]

[Text] France and the Soviet Union signed a long-term economic cooperation agreement Friday in Paris. French authorities expect this agreement to enable France to correct its persistently unfavorable balance of trade with Moscow this very year.

The agreement was signed at the conclusion of a 5-day visit to France by Ivan Arkhipov, first deputy chairman, USSR Council of Ministers. It is in keeping with the pattern of the decennial cooperation agreement for the period 1980-1990 and sets more precise objectives for the latter, objectives that take into account the increase in France's imports of Soviet natural gas since 1 January 1984.

Among other things, this new agreement calls for a large increase in Soviet purchases of French agricultural, food, chemical, and steel products. Above all, close associates of Prime Minister Pierre Mauroy view the agreement as "an important advance... and a significant move by the USSR to establish balanced trade with France." The Soviet Union has committed itself to award French firms contracts for equipment valued at 10 billion francs.

In 1983, these major contracts amounted to only 2.2 billion francs, two and a half times less than in 1982 (5.2 billion francs) and four times less than in 1981 (8.3 billion). This decline, due to a disagreement about financing terms, had relegated France to a position far behind Finland, the FRG, and even Japan.

This new agreement puts an end to a long period during which the Soviets had refused to define more precise objectives for restoring balance to French-Soviet trade. France's additional purchases of Soviet gas threatened to transform its trade deficit with the USSR into a structural deficit. The magnitude of the disagreement was underscored at the annual meeting of the joint "full" economic committee in November 1983 in Moscow when Soviet representatives dismissed Foreign Trade Minister Edith Cresson's appeal for such objectives.

In consideration of France' energy bill which has already risen to 11 billion francs--and will climb to 12 billion in 1984--the French-Soviet agreement calls for expanded trade in three major sectors. For example, French exports of steel products in 1984 should triple 1983 exports: 4.5 billion francs versus 1.5 billion francs. These are not official figures because France's EEC obligations actually prohibit it from directly concluding trade agreements with a non-EEC country.

The agreement also provides for the USSR to increase its purchases of chemicals (superphosphoric acids) and petrochemicals (lubricants). Similarly, Soviet purchases of agricultural and food products, which had already tripled under the terms of the 1982 agreement, are expected to increase 15 percent and total 7 billion francs.

Provision is also made for resumption of Soviet equipment contracts with French firms, the first tangible example of which was signed Friday and covers construction of a 120-million franc dairy complex. Other projects under consideration include: a gas processing plant at Tenquiz (1.5-billion franc contract for Technip and Creusot-Loire), a line of meat-based frozen foods, sale of 300,000 television sets by Thomson, a plant manufacturing clutches for farm equipment and machinery, locomotives and railcars, and even a hazelnut processing plant.

8041

CSO: 3519/241

MATRA'S PRESIDENT LAGARDERE ON MODERNIZATION, RESTRUCTURING

Paris ELECTRONIQUE ACTUALITES in French 24 Feb 84 p 2

/Article by D. Levy/

/Text/ Restructuring and modernization, two words that Jean-Luc Legardere, president-director general of MATRA /General Mechanical Aeronautics Co, Propulsion Section/, refuses to separate, affected the profits of the MATRA group in 1983. Yet, Mr Legerdere warned, "I shall follow the same policy in 1984, for there is no question for us of sacrificing the intermediate term to present more favorable results."

And indeed, the group managed to achieve a net profit of only 30 million francs in 1983 on sales totaling 13.3 billion francs (up by 11 percent). This is explained in part by a leveling off of defense production, the group's lynchpin (up by 2 percent only), and also by the sizeable reserve funds that MATRA had to create to meet the losses of most of its affiliates and by the cost of plant modernization (315 million francs) to which should be added 680 million for investments in property, and 1.65 billion francs for research and development expenditures. But, according to Mr Legerdere, these efforts will bear fruit in 1986.

As far as the parent company is concerned (610 personnel), its sales aggregated 5.97 billion francs (up 7 percent) and its net profit was 70 million francs obtained on gross profits of a little over 1 billion francs. Against this amount were charged reserves for debts of affiliates on the order of 730 million francs (that is, 530 million francs more than projected) and a corporations tax of 210 million francs.

The modernization effort will continue in 1984--a flat year given that the company's orders dropped from 13.5 billion francs to 11.7 billion francs between 1982 and 1983--and in 1985 to produce results in 1986: "MATRA will then have in its 10 divisions all the products necessary to become a very large multinational group with an exponential growth rate," Jean-Luc Legerdere asserted. This effort will be premised on a steadily increasing research and development outlay: 1.36 billion francs in 1983 (40 percent borne by the group, the balance in the form of research credits) as against 1.16 billion francs in 1981 (37 percent borne by the group) and 1.3 billion francs in 1982 (38 percent borne by the group).

The restructuring, which is evidenced by a consolidation of activities around growth poles, is presented as a compromise between the immediate scaling down of personnel size to parallel demand (which would mean layoffs under existing conditions) and the retaining under the circumstances of scattered units that are responsible for sizeable losses.

Takeoff of the Space Program

It is then as a function of the modernization and restructuring efforts that it is necessary to evaluate the results of the MATRA group (28,000 personnel) in 1983.

Military production leveled off in 1983 with 2 billion francs' worth of orders on the books instead of the projected 5 billion francs' worth. But Mr Legardere attributes this drop in orders to the international situation rather than to a downslide in MATRA's share of the market. For 1984, estimated orders aggregate 5 billion francs. In terms of sales, MATRA's military division in 1983 realized 4.176 billion francs' worth (up 2 percent), MATRA-Electronique /Electronics/, 234 million francs' worth (compared to 215 million francs), and MELCO, 27 million francs' worth (as against 18 million francs). Furthermore, the Manhurin weapons system (representing 1 billion francs) has been integrated in MATRA's military division since early 1984. Besides the sizeable share (missiles) that MATRA has in the Saudi air defense contract awarded to Thomson, it is appropriate to recall the recent order for MATRA's Durandel counter-tracking system from the United States.

The space program (1.09 billion francs in 1983) has experienced the sharpest rise in the MATRA group and will continue this momentum in 1984 (1.25 billion francs' worth of sales and 1.6 billion francs' worth of anticipated collectibles at the end of the year). Having become the leading company for the production of space satellites in Europe, MATRA foresees a favorable future, notably in telecommunications, direct television broadcasting, and earth scanning.

MATRA's transportation division will be spun off as an affiliate. Its sales in 1983 (429 million francs) consist of 258 million francs for the MATRA division and 171 million francs for Interelec (automation systems). After the putting into service of the VAL system at Lille (a second production line is on order for 900 million francs), MATRA's goal is to tackle the international market, notably the American market (where MATRA is involved in about 20 projects including that of Orlando estimated at 4 billion francs) and in the Far East. The group is also interested in the Toulouse project.

Four Electronics Divisions Are Expanding

The group's other operations witnessed serious losses in some cases: 110 million francs in the automotive division (on sales of 340 million francs,

even though MATRA's association with Renault should make the operation profitable by 1985), 193 million francs in automobile electronics, 180 million francs in electronic components, 115 million francs in telecommunications, 70 million francs in automation systems, 20 million francs in data processing, and 32 million francs in clock- and watchmaking.

The restructuring and modernization measures approved in these divisions should first of all reduce their losses significantly in 1984 and then restore profitability in 1985 and 1986.

This is notably the case with automobile electronics whose losses should drop to 55 million francs in 1984 while its sales may increase to 2.8 billion francs (from 2.4 billion francs). Restructuring involves essentially the Jaeger firm whose direct control will be assumed by MATRA while the German VDO /Aircraft Manufacturing Company/ group will continue to be a minority shareholder (with 10 percent of the capital). MATRA, which ranks as the second automobile equipment manufacturer in France (far behind Valeo), in designing "electronic systems of the future that will revolutionize the automobile." Perceiving itself as complementary to Renix, MATRA is working on an electronic fuel injection system and seeks to be the major contractor for producing the dashboards of the future. For this purpose, MATRA will sign an agreement with a Japanese manufacturer (Stanley) and with Renault regarding a liquid crystal display project.

In clock- and watchmaking, MATRA will consolidate all its operations within MATRA-Herlogerie in which Seiko will probably have a 15 percent share. The leading French manufacturer in the market with sales of 900 million francs, MATRA signed an agreement with the Japanese firm (the world leader) under whose terms Seiko will supply watch movements. In exchange, MATRA would sell watch cases, dials, and watch straps. "We have found that the production of electronic modules for clocks and watches could not reach a profitable threshold without an extremely large sales volume," Jean-Luc Lagardere explained to justify MATRA's agreement with Seiko.

"The components, telecommunications, data processing, and automation systems represent four growth areas for MATRA," Mr Lagardere stated. The components whose sales will increase from 390 million francs in 1983 to 566 million francs in 1984 have been a "cause of disappointment" with nearly 180 million francs in losses sustained by MHS /MATRA-Harris/ (on sales of 144 million francs). However, MATRA and its associate Harris will each underwrite a capital increase of 200 million francs in MHS, which will achieve sales of 254 million francs in 1984 (see the article on page 1 /not included/).

Telecommunications (1.026 billion) should also witness a sharp increase this year (to 1.2 billion francs) and resumed profitability in 1985

after the losses sustained, namely, in peritelephony, which led to MATRA's relinquishing of Peritel in 1983 (see ELECTRONIQUE ACTUALITES of 3 February 1984). In data processing, the unsatisfactory situation must lead to a redefinition of MATRA's role in this sector, which has already begun with its partial withdrawal from Datapoint-MATRA Informatique /Data-Processing/ whose capital MATRA now holds to the extent of only 20 percent (see the article printed under the data processing subhead /not included/). Finally, all of MATRA's automation systems operations have now been consolidated in its automation division which, with its sales totaling 440 million francs, is also seeing sizeable growth (see ELECTRONIQUE ACTUALITES of 17 February 1984).

2662

CSO: 3519/235

SAINT-GOBAIN VIEWED AS SUCCESSFUL NATIONALIZED COMPANY

Paris LES ECHOS in French 14 Feb 84 p 8

[Article by Jacques Jublin: "Saint-Gobain Firmly Decides Not to Ask Anything of the State, and then Shows a Profit of 400 Million Francs"]

[Text] "We are here neither to ruin the state nor to be at its beck and call. We are running this business for ourselves and are in our 318th year of industrial activity." Nationalization viewed through Saint-Gobain's "mirrors" has a far-away look and, to say the least, a certain bit of independence. Roger Fauroux, the group's chairman and chief executive officer, feels especially comfortable now that the government has taken away his firm's stakes in computers and electronics. The firm no longer magnetizes the most senior civil servants and cabinet ministers because it does not belong to any "strategic" sectors. From its top-floor offices in the Rond-Point de la Defense high-rises [western Paris suburbs], Saint-Gobain--with its strong diversification in glass, insulation, cast-iron pipes, machinery, and wood pulp--recently awaited release of its profit-and-loss statement to prove by its profit figures that it had indeed had a successful year. That statement now shows a profit of some 400 million francs for 1983 compared with 257 million francs the previous year. What other state-owned industrial group can top this performance?

Probably not the CGE [General Electric Company] whose profit-and-loss statement is expected any day now. No more than the nine other companies for whom [industry minister] Laurent Fabius has oversight responsibility. In that case, 400 million francs does give Saint-Gobain a certain latitude and allows it to speak somewhat freely. To such an extent that the company is concocting plans for take-overs in the United States. It is also planning to issue "participatory certificates" [a form of non-voting loan stock] on the European market (see last paragraph below).

Its effort to strengthen its position in the United States will be spearheaded by its American subsidiary Certain Teed. The latter has at least \$150 million in cash with which to find the rara avis in a field of business close to Saint-Gobain's. Probably in the new materials business, because the economy is making good progress over there.

Saint-Gobain continues to be pleased with its earlier decision to establish itself outside France, inasmuch as that is where it obtains much of its profits. Its total sales of 57.4 billion francs in 1983--51.34 billion in 1982--are also quite international: 50 percent in France, 16 percent in the FRG, 15 percent in the United States, and 19 percent in other countries.

Now far removed from the ups-and-downs of the computer and electronics sectors, Saint-Gobain is doing well in such lines as flat glass, hollow glass, and refractory materials, and in the construction business. Its performance is not as strong in castings, paper, and fibers for strengthening plastics. Roger Fauroux even uses the word "hell" when referring to his company's insulation, machine, and particle board business.

Yet according to him, two-thirds of the firm's activities remain healthy. Especially as Saint-Gobain believes there are no incurable diseases. It is all a question of competitiveness and rationalization. And this year, as in 1982, the company wants to tailor its workforce to its markets. It currently has 134,000 employees, 70,300 of them in France. This is 5 percent less than its 1982 workforce. In France, the company successfully found other jobs for its surplus employees through a special company and its excellent knowledge of which PMI's [Small and Medium-Size Industries] were hiring.

Saint-Gobain is unquestionably an industrial group that is minding its business and assuming its social responsibilities. But after having known more exciting days with the electronics business, it is adjusting perhaps with difficulty to the more prosaic glass, insulation, pipe, and other businesses.

In 1983, Saint-Gobain did, of course, enhance its prospects in municipal services by purchasing an interest in the Compagnie Generale des Eaux [General Water Company] for nearly 1 billion francs. It also bought a stake (160 million francs) in the SGE [General Construction Company], took over the Redland firm (concrete tiles), and purchased an interest in Technip (engineering) for 22 million francs. But just remember that upon government request, Saint-Gobain's strategists had once planned to merge with Olivetti while trying the British firm ICL in passing, and thereby form the most astonishing industrial group the world would have ever seen.

Saint-German very nearly became a modern conquistador. It is now consoling itself, in its own way, by counting its profits in an effort to forget its dreams of yesteryear.

European Participatory Certificates

Saint-Gobain is preparing to issue 750 million ECU's [European currency units] worth of European participatory certificates listed on the Luxembourg Stock Exchange, with a 3-year warrant. Added to the participatory certificates issued in France last year, this will bring the total amount raised by the group in this way to between 1.2 and 1.3 billion francs. Good news for investors is the fact that Saint-Gobain's 1983 profits will raise payments from 1983 participatory certificates to the ceiling of 125 percent of TMO the first year.

NATIONALIZED INDUSTRIES PLACE SUBSIDIARIES ON STOCK EXCHANGE

Paris LES ECHOS in French 15 Feb 84 p 3

/Text/ Industrial socialism bent on the conquest of the stock exchange. A paradox? Not at all. Quite simply a frenzied search for new money. Quite simply the application of a concept close to François Mitterrand's heart since the beginning of his term, that of a mixed economy--featuring harmony between state and private capitalism. A mixed economy that leaves a great deal to the imagination of the various nationalized groups. Thomson, Saint-Gobain, Matra (with an eye on CGE) are discreetly planning to place subsidiaries on the financial market. They are organizing accordingly because some (Saint-Gobain, for example) do not or no longer wish to ask for a government hand-out. Others know that public endowments will not continue for ever and will indeed be more and more restricted, because the government cannot possibly pay everyone everywhere.

So the question is who will tackle something new to track down cash, to affirm independence. And to show the government that, consonant with Laurent Fabius' wishes, various nationalized corporations can not only be profitable by 1985 but also capable of assuming financial responsibility.

For the past 2 years the P-DG's /president-director generals/ of the nationalized corporations have regularly savaged one another in the struggle for the share-out of government largesse: Fr12.85 billion in 1984, to which must be added an extra billion within the scope of the government plan to benefit the regional disaster areas. That amounts to about Fr14 billion to be set against Fr14 billion of accumulated losses in 1983...and perfectly demonstrates the limits of the policy of stretching out one's hands to the government.

Business leaders such as Roger Fauroux (Saint-Gobain), Alain Gomez (Thomson) or Jean-Luc Lagardere (Matra) also know that they do not benefit from the same kind of weapons as those corporations that traditionally swallow down subsidies--such as Sacilor, Usinor and, in particular, the entire state owned chemical industry, not forgetting coal mining.

They are therefore better off to prove themselves by making profits, by going to the stock exchange. CGE has various prestigious subsidiaries quoted on the Paris Bourse (for example CIT-Alcatel and Alstom-Atlantique) and demonstrates rather nicely that a mixed economy is more than an airy-fairy doctrine, that it fact it can be for real.

Saint-Gobain Considers It

Since corporate structures distinguished by increasing devolution to their subsidiaries are bound to be healthy from the aspect of decentralization and the growth of on-the-spot managerial responsibility, everything is working toward a reallocation of assets in various nationalized corporations.

Saint-Gobain is pondering the issue: The group is said to plan placing at least two subsidiaries on the stock market, offering about 30 percent of their capital to the investing public. For the time being the nationalized corporation is careful not to name any names. However, some experts assume that Saint-Gobain Packaging may be one of the subsidiaries concerned.

Roger Fauroux feels all the more at ease intellectually, because he is the prime example of successful nationalized corporation manager, earning Fr400 million profits in 1983 compared with Fr257 million the year before. Alain Gomez is not to be outdone; he wades into battle daily to demonstrate that Thomson may turn into a profitable nationalized corporation after its staggering Fr2.2 billion loss in 1982. Alain Gomez does not delude himself: The only way to make management more responsible, to improve it, make it stick to industrial and commercial realities, is to build up companies with a structure adapted to the famous coupling of professionalism and marketing.

An end is being made of the holdalls, the small conglomerates that cloud reality and are financial eyewash. Consequently Thomson set up a central holding company, Thomson SA, around which five major companies will in future revolve, corresponding to the major specialties of the "electronic empire." They are Brandt Armaments, Thomson CSF, Thomson Lucas, Thomson Copper and Thomson General Public (this latter includes all consumer product divisions such as domestic and audiovisual appliances).

For the time being, these subsidiaries are 100 percent controlled by the holding company, except of course for Thomson CSF, already quoted on the stock exchange (to 50.40 percent) and Thomson Lucas, 51 percent of which are traded. Still, to broaden the foundations of the group and emphasize its multinational aspect, an influx of private capital to various subsidiaries is far from excluded. Such a move would definitely not be in breach of the laws on the nationalized corporations.

Financial Imagination

For the nationalized corporations to attract private stockholders by the expedient of subsidiaries does indeed represent a novelty. Still and indisputably, 2 years after having taken over in the 11 wards of the government, the P-DG's--or at least some of them--seek to demonstrate their imaginative powers by better adapting to the demands of international competition, better escaping the constraints of the financial framework in which they are held tight, better dusting off all too antiquated structures.

Moreover, they are virtually compelled to succeed by any means possible, because--having already allocated to them more than Fr26 billion for 1983-1984--, the government has charged them to be profitable by 1985, with two major exceptions--the iron and steel industry and CdF Chemicals.

Their imagination must be unrestrained all the more because Renault CGE, Saint-Gobain, Thomson, Rhone-Poulenc, Pechiney, Bull, Sacilor, Usinor, EMC, CdF-Chemicals need to resolve a major financial equation: That of their debts which have reached a summit--some Fr84 billion compared with Fr63 billion in 1980.

Of course Renault is using American Motors and Mack Trucks to attract American capital. Of course CGE, Saint-Gobain, Thomson and others are multiplying bond issues which have the look of stocks, the yield of stocks but are not really stocks. Of course CGE will proceed to increase the capitals of its subsidiaries, but none of that is enough.

Therefore let's hear it for the mixed economy, the encounter between state and private capitalism! Well, well! This kind of socialism would not be repudiated even by Michel Rocard who, at the time of the nationalizations, recommended taking a 51 percent controlling stake in the holding companies and leaving the subsidiaries to get on with it on their own. "The American Left" was then nailed to the political pillory. Two years later realism has dawned, although some people are bound to start yelling about underground "denationalization."

11698

CSO: 3519/243

BORDEAUX LOSES ONE THIRD OF PORT TRAFFIC IN FOUR YEARS

Paris LES ECHOS in French 15 Feb 84 p 8

/Report by LES ECHOS correspondent Gerard Larpent/

/Text/ The worst drop in traffic at any French port, the second worst in Europe--after Hamburg (- 18 percent)--, made 1983 a sad year for Bordeaux; traffic actually declined below 10 million tons. With a total of 9.5 million tons compared with 10.5 million tons in 1982, Bordeaux-Le Verdon recorded a 10 percent reduction in its total traffic. Since 1979 the drop has amounted to 30 percent.

A Significant Movement

Of course, as the representatives of the Bordeaux-Le Verdon Port Authority emphasized yesterday when these results were officially announced, oil and oil products are largely responsible for the situation: 5.3 million tons in 1983, 17 percent less than in 1982. In 1972 oil and oil products accounted for 10.7 million tons, and the general energy conservation efforts since the first oil shock have not ceased since to involve successive reductions.

In 1983 these woes were increased by the closure of the Esso refinery at Ambes and, at the same time, the scaling down of output in the EDF steam generating plant that runs on heavy fuel.

The situation is even more serious overall, because the data on various decreases and increases respectively provide evidence of a decline in the economic activity in the region, a development that is distinctly worrying from the aspect of the future.

There is the case, for example, of the drop in sugar imports (- 12,000 tons), directly linked to the operation of the Beghin-Say de Bassens refinery which may not survive. There is also the rise in imports of synthetic fertilizers (+ 22 percent and achieving 200,000 tons); these imports represent one factor in the current crisis of the French fertilizer industry, several plants of which are located in the southeast and may not be able to carry one.

In this very somber picture, two positive points deserve mention: The 20 percent increase in solid bulk to 2,696,000 tons due mainly to oil seed (+ 33 percent to 318,000 tons) and the continuing flow of container traffic at the 1982 level (500,000 tons); the latter even rose slightly at Verdon (+ 5 percent).

Unfortunately two swallows do not a summer make.

NATIONAL STUDY SUGGESTS 1984 WILL BE 'TERRIBLE YEAR'

Paris LES ECHOS in French 16 Feb 84 p 5

/Text/ According to the quarterly reports published by INSEE (they represent the accurate estimate of the national economy), the commercial gross national product has risen by 0.5 percent in 1983, both in the average and progressively. In the fourth quarter, growth amounted to 0.6 percent. This score corresponds to some extent to foreign demand which has remained steady.

The figures shown in the accompanying table illustrate the phenomenon of "moderate depression in an international climate in a holding pattern" (Jacques Plassard's description in the SEDEIS BULLETIN). The public authorities hope 1984 to achieve a slight (1 percent) expansion, expecting 2-2.5 percent for the total of the EEC countries.

As regards total imports, INSEE estimates the 1983 decline at 1 percent. However, we need to note that purchases from abroad rose steeply in the fourth quarter to settle at + 6.1 percent.

Exports: + 2.5 Percent

"This advance holds true for most items but is particularly noticeable with regard to semifinished goods (+ 11.8 percent)." INSEE emphasizes that "the rate of commodity imports entering the domestic market recovered to the level of the first quarter 1983 (28.5 percent) after a noticeable reduction in the two following quarters (an average of 27.3 percent)." This is a somewhat disquieting factor from the standpoint of the government's austerity policy.

The overall growth of exports amounted to 2.5 percent in 1983. Excepting the first 3 months, the pace remained steady in each quarter. "The strong rise in sales of semifinished goods abroad (+ 7 percent) is in part compensated by a drop in exports of road vehicles and professional equipment. The proportion in French production of commodity sales abroad has risen since the first quarter. It achieved 26.8 percent, the same average as in 1981," notes INSEE.

As regards investments, stability prevailed toward the end of the year. In the fourth quarter developments varied somewhat, amounting to + 1.6 percent for corporations and - 2.2 percent for home buying. This is an increasingly serious phenomenon and rather justifies the government's intention to stimulate construction.

Household Consumption: + 0.8 Percent

Household consumption, for its part, grew by 0.8 percent last year. This was due in particular to the rise in spending on health and hospital treatment. Purchases of nondurable and durable consumer goods, on the other hand, in decline since January, grew by 0.8 percent and 2.6 percent in the fourth quarter. "On the whole, consumption by households exceeded the level of the end of 1982," INSEE indicates. Another proof of the French economy's resistance to official restraints.

1984--A Terrible Year

The experts consider that the growth of internal and external demand (+ 1.7 percent) in the fourth quarter may be explained by a 0.7 percent inventory fluctuation, an 0.2 percent increase in exports and an 0.6 percent rise in household consumption. But, observes INSEE, taking into account the ballooning of imports, the commercial gross national product did not in fact advance by more than 0.6 percent in the fourth quarter. The growth of manufactured goods was limited to 0.2 percent.

These are not really encouraging factors for confronting 1984. This looks like being a terrible year--the real end result may well be a commercial surplus and, above all, a current payment surplus. The tendency to a resumption of imports, aggravated by the risk of some slow-down in international activity might vitiate the beginnings of the adjustment begun last year.

All the more because wage earners have begun to notice the effects of this adjustment in their own budgets. Without being persuaded, though, of the usefulness of this process to them.

11698

CSO: 3519/243

POLEMIC BOOKS ON INDUSTRIAL RESTRUCTURING SUMMARIZED

Paris LES ECHOS in French 17 Feb 84 p 4

[Editorial by Pierre Bernard-Danay: "Restructuring and the Criteria of Administration"]

/Text/ The national and regional controversy about industrial restructuring is gaining strength: The subject matter is immense. After last week's council of ministers, some said "the measures are too vague and too noble." On the other hand, others (whether they did or did not sound the alarm) considered them too brutal and too harsh.

As for the President of the Republic, he is in a hurry: "We must shorten the period of adjustment," he said on television last Sunday. "If the period is short, the crisis will be short." Which remains to be seen.

"In this matter, the authorities want to do too much and too fast," is the substance of the retort by trade union leader Bergeron who considers himself level headed. In any case, whether the government plans are too smooth or too rough, the fact remains that basic conceptions on the industrial restructuring issues diverge widely and confront one another.

It is advisable in this affair not to lose from view the questions arising at this very hour, referring not to the private sector (as in the case of Talbot-Poissy) but to the public sector (iron and steel industry, coal mining) or the semipublic sector--placed for the longest time under the protective wing of the state (shipyards). At a time when a government of the left is in power, what is at stake in fact are the criteria of administration to be retained by the public or semipublic enterprises. Should these criteria remain the same as for private enterprise (based primarily on profitability in the strictest meaning), or should they move toward other criteria such as would assign priority to the maintenance of employment in the respective corporations?

In this connection President Mitterrand spoke last Sunday of "at least aloofness" on the part of the majority parties (without his belaboring the point). This aloofness is undeniable. But it also persists outside party circles, for example in the regional and local points of view which differ from the views held by the government in Paris. And also in the trade unions, where opinions are polarizing quite definitely--complete with a range of emphases--between the following two:

The traditional attitude struck by Bergeron (FO Workers Force) who denies himself any opinion on the technological shifts independent of his wishes and his union competence while, at the same time, endeavoring to defend as best he can the interests of the wage earners he represents. The other--more novel--is that of the CGT leaders who contest the majority of the management concepts accompanying these shifts, though neither denying nor repudiating their necessity. They also place ahead other criteria of corporate management: It is precisely on this terrain that the conflict is being fought.

These divergences have their counterparts in doctrinal confrontations about to erupt; they are outlined by two books, one published in late 1982, the other in early 1984, by working university professors who, having both been INSEE administrators, are involved in political life or administrative functions by virtue of some office or other.

The first is Philippe Herzog, member of the PCF Politburo and deeply committed to militancy.

The second is Michel Aglietta who appears to be much less embroiled in politics but is much honored by high-level government personnel and is also scientific adviser at CEPII.¹ Incidentally, he just published the work I am dealing with, in collaboration with Anton Brender, deputy director of CEPII.

In his book "L'Economie a Bras-le-Corps"² The Economy in a Stranglehold, Philippe Herzog begins by noting that "the forces of the Left hold sharply differing views on the attitude to assume with regard to the choice of management founded on profits and profitability." He promptly adds: "This does not prevent collaboration now or in future" (an observation that should never be lost from view).

He subsequently develops the thesis that, in public corporations at least, it is appropriate to take into account administrative criteria that are not exclusively based on economic profitability in the accepted meaning. In place of profits he recommends a new criterion: "The relation of the net added value to the material and finance capital advanced."

This way of looking at the issue contrasts with that expounded by Aglietta and Brender in "Les Metamorphoses de la Societe Salariale" The Metamorphoses of the Employee Society, a very compact book that has just been published.³ Aglietta and Brender ask themselves whether it is necessary to replace capitalist profitability by the criterion advocated by Herzog. "It does not seem so to us," they answer. At issue is the need to know if the diminution of employment may be avoided by the modification of the criterion of management (...) We do not share this view (...) The problem is not that our corporations generally earn unduly large profits but that they do not earn enough. Consequently, rather than changing the administrative criterion, it would seem preferable to help the corporations adjust (...) An adjustment that must fit within the scope of France's strategy to be part of the world economy."

Nobody can possibly doubt that the conceptions submitted by Aglietta and Brender are far closer to the views of President Mitterrand's collaborators than Herzog's.

However, the confrontations--past or future--on the topic of restructuring as the order of the day might well furnish definite and concrete illustrations to this general and abstract debate on the administration of corporations in the public sector.

It is an important debate, all the more so because, in contrast to the opposition, the present government majority tends to hold up these corporations as examples to be copied.

FOOTNOTES

1. Center of Futurological Studies and International Data. It is a public body, and its research is published in LA DOCUMENTATION FRANCAISE.
2. Published by Editions Sociales.
3. Published by Calmann-Levy.

11698
CSO: 3519/243

NATIONAL STUDY OUTLINES FOREIGN TRADE STRATEGY

Paris LES ECHOS in French 10 Feb 84 p 10

[Article: "Possible Strategy for Gaining Shares of the Export Market"]

[Text] An article entitled "Comparative Productivity and Competitiveness of Major Industrial Countries" in the January issue of the INSEE [National Institute of Statistics and Economic Studies] review *ECONOMIE ET STATISTIQUE* states: "Two countries, Japan and the Federal Republic of Germany, show the largest trade surpluses. But they accomplish this by two contrasting strategies. In Japan, those sectors showing a surplus have high productivity, strong growth, and are helped by an undervalued yen. In the FRG, surpluses are based rather on a reputation for quality and know-how, and are compatible with high unit prices and an overvalued currency. French industry has neither of these two configurations."

The INSEE study thus highlights two industrial strategies that vary with the countries and are associated with contrasting exchange policies. "The Japanese strategy is characterized by strong volume growth and highly competitive price levels. A lastingly undervalued currency cannot fail to help such a strategy. Thus sectors enjoying a domestic comparative advantage or cost are placed, by means of a favorable exchange rate, in a strong position of absolute advantage or cost. This," according to the INSEE, "is the starting point for gaining shares of the market."

Conversely, West Germany depends on large export revenues, with limited quantities sold at a high price in international currency. The INSEE notes that this strategy has the merit of being compatible with an overvalued currency and weak volume growth, insofar as high prices do not encourage an increase in outlets.

The INSEE underscores the fact that German industrial prices rose quicker in the 1970's than prices in other sectors of the economy. This is additional proof that the constraint of inflation weighs heavily on industry beyond the Rhine. In Japan, higher productivity in the fabrication of manufactured goods permits less rapid price increases.

An analysis of Japanese foreign trade shows that trade surpluses in that country are centered on a small number of products, all of which belong to the electromechanical sectors. The INSEE indicates that "this characteristic

is altogether consistent with the aforementioned comparative advantages. The latter are much more pronounced than in other countries and are localized in the electromechanical and steel sectors."

The Japanese strategy thus becomes clearly apparent: exporting sectors enjoy a comparative advantage which has enabled them to appreciably increase the volume of their shares of the market and hence promote Japanese economic growth. For its part, the FRG has been able to completely thwart this strategy because, "as is to be expected, quality is the decisive argument where certain products are concerned."

Unfortunately, France has neither of these assets. It has neither sectors having a world-wide demand and enjoying comparative advantages (Japanese style), nor well-established sectors capable of gaining strong international acceptance of high prices for their products (German style).

"Thus any abrupt exchange strategy--insofar as it is possible to make choices in such matters--is doomed to failure. The policy of nominal exchange rate stabilization and real exchange rate de facto appreciation followed within the European Monetary System from 1979 to 1981 was not favorable to French industry which could not stand a situation of the German type. On the other hand, a competitive devaluation of the franc would be ineffective because the French industrial fabric does not have enough dynamic sectors capable of deriving therefrom any gains in shares of the market. Such is the loud and clear assessment of INSEE analysts.

By caricaturing the "Barriste" [Raymond Barre, former prime minister] strategy in the first case and the Chevenement [former minister of industry] strategy in the second case, this analysis is a perfect summary of extreme policies which both end in an impasse.

The only way out of that impasse is, according to the INSEE: creation of comparative advantages in sectors for whose products there is heavy world-wide demand; plus a moderate undervaluation of the franc, a measure that can only accompany results of the industrial policy. This is an excellent recipe for getting out of the economic slump. The only thing we now have to do is use it.

8041

CSO: 3519/241

BRIEFS

FABIUS DEFENDS CHANNEL TUNNEL--Construction of a tunnel beneath the English Channel would be "one of the surest ways of binding Great Britain to the European Community" according to French Industry Minister Laurent Fabius. The minister also believes this French-British project could help bolster up the currently very weak steel and public works sectors. He hopes that private capital can take the initiative and make the tunnel a reality. It is said in well-informed circles that a working group, consisting of, among others, the Societe General [French bank] and Barclays Bank of England, will shortly submit a report on this project whose estimated cost is 20 million [as published] francs. [Text] [Paris LES ECHOS in French 14 Feb 84 p 10] 8041

CSO: 3519/241

FORMER ND MINISTER BOUTOS ON ECONOMIC CRISIS

Need For 'Consenting Process'

Athens I KATHIMERINI in Greek 21 Feb 84 pp 1,3

[Excerpts] It is necessary to try to secure a "consenting process" in the country's political life in order to steadily and lastingly confront the country's economic problem which is already tending to assume the dimensions of a national issue. The essence of this process is not so much the existence of consent on "common problems" as clarification of the terms of the political game and agreement on maintaining them; its base is the radical renewal of the country's political life through renewal of the parties which express the political inclinations of the Greek people. These remarks were made by the New Democracy official and former minister, Giannis Boutos, in an interview he gave on 20 February at the Foreign Correspondents' Union.

Mild Climate

Question: Ten days ago, Mr. Averof stated he is opposed to a mild climate. Do you agree with this? And if you disagree, are you the only one among the members of the Political Council?

Answer: It depends on what is meant by a "mild climate". A mild climate does not mean that there is no differentiation in the parties' positions and no confrontation. It does not mean subordination of one party to the world-theory of another. For me, it means elimination of the personal element from political opponency. It means that we Greeks cannot, in confronting present and future problems, let ourselves be influenced by former experiences from which we all suffered and for which very few are responsible. Within these limits, a dissimilarity in opinions to ND cadres, but also to other parties, does exist. It happens that I am more cool-headed in spite of my experiences. As a politician, I am obliged to look more into the future than the past. I am trying to get this viewpoint enforced as an ND party line. There was discussion in the ND Political Council about my proposals on the Gorgopotamos demonstrations, and there was a prompt and generous response.

In continuance, answering an observation that he criticizes the 1979 government's economic policy and that he was quoted supposedly concerning basic positions of the ND program, Mr. Boutos said: "Actually, in 1979 ND did not succeed in imposing restrictions on its income policy up to the point where it would restore equilibrium to the balance of payments which had been disturbed both because 1979 was the last year before the accession and because the second oil crisis was noted."

In addition, concerning the ND program, he said: "My statement has the value that both I, as well as you, learned of the text from the press, namely from I VRADYNI."

Renewal

Answering next to a question about renewal in ND, Mr. Boutos said: "I cannot restrict renewal to the ND area. All our political life, under partisan confrontation, has regressed. One party alone does not have the power to bring renewal to the political life.

"Why are we speaking only about renewal of ND when in Greece we have KKE which is the only 'Soviet-oriented' communist party in Europe? KKE does not need renewal? PASOK, which talks about inner-party democracy and then what does it do, does not need renewal? In the meeting about the party congress, the PASOK president appeared as the sole dictator, as a pontiff, he talked for two and one-half hours, he made mention of obstructionism, and departed leaving doubts among his party cadres about how much behavior a or b deviates from the party line. So can PASOK contribute to the country's renewal?

"ND certainly has need of renewal and modernization. Of course, if I were president of ND, its style would be different. The party should be freed from the rigidity which characterizes it as a party which remained for a long time in the government. It will have to be organized on the basis of new methods. While maintaining its ideological principles, it is necessary to adapt them to modern needs. This adaptation must take place every five years at the present rate of development. A change in mentality is also needed.

"Finally, I believe that when we talked about Allaghi--and everyone acknowledges this--we were talking about an Allaghi [change] of mentality. The issue is whether the one who says these things becomes believable and whether he really means them."

To the immediately following, related question, Mr. Boutos answered: "I am a member of ND, I am staying in ND and I am fighting for my positions."

Economy and Defense

Question: You proposed a consenting process for dealing with the critical economic problems. This means a truce in ND-PASOK relations, because eventually this would be imposed by another view of yours, that other countries near us have been making economic progress recently.

Answer: I think that the economic problem is one side of our national problem. In the area in which we live, we will have for many years the pressure of Turkey, which recently has been developing dynamically. In 1971 Greece's income was 11 billion dollars and Turkey's was 12. Today, it is 40 and 70 billion respectively. If you calculate that this country spends 4.7 percent of its income for armaments, you comprehend its war preparedness.

Turkey is exploiting all the possibilities offered it by its participation in NATO and presents itself as a "faithful ally." We, on the other hand, seem like the

bad, undisciplined child. Turkey receives investments and military aid, while we complain that they are not giving us what we do not want.

Despite all this, our participation in NATO has facilitated our relations with northern neighbors--which go through Washington and Moscow, without "provincial" Balkan disputes--and allows the rearrangement of our forces. If NATO did not exist, the danger from the east would be more intense.

PASOK, while it has accepted the ND policy in essence (it remained in NATO, stayed in the EEC, kept the bases), reacts like a badly-taught child.

The consenting process does not mean that the identical program must exist. It means that, whether ND or PASOK is in the government, it must act seriously. Tolerance for one by the other, and all good Greeks, is needed to overcome the problems.

Concerning A Cooperative Government

Answering the question of whether his positions meant that he would like a cooperative government, Mr. Boutos said: "This...accusation has been hurled at me since 1979 when I was minister of agriculture. What I believe is that the parties' relations must not be such that they impede this possibility, if conditions impose it. Of course, I am not proposing any such thing because we are not in an analogous situation.

"The consenting process means agreement on certain basic principles. For example, PASOK cannot say that the productivity of DEI [Public Power Corporation] has fallen and at the same time engage 3000 sinecurists. It cannot say that it will replace private enterprise with municipal enterprises when it knows that the productivity is much lower in this area. We must decide how we want Greece to develop. Did anyone decide on socialism? Be serious about it. You cannot proceed? Do what Mitterand does, who applies a rigorous policy to problematic issues which entails letting things go. We transfer the burdens of problematic issues to the banking system with the result that the National Bank's share has fallen from 24,000 to 6,000 drachmas. We could form a social fund with a resource of two percent of the income from taxes. It would be preferable. Today we perform philanthropic acts at the expense of those who make the money available and, in fact, without them knowing how much the philanthropy is costing."

Answering the remaining questions, Mr. Boutos said, among other things:

1. Concerning the leadership of ND and ONNED [Youth Organization of New Democracy]: The issue of leadership does not exist in any party if it is not broached formally. Criticism intrinsically exists in all the parties. There are different "lines". In KKE there is the Florakis line and the Farakos line. In PASOK, biases also exist. As has been written in KATHIMERINI, there was the inclination for measures to stabilize the economy to come first, or for steps toward socialism to come first. Why have we been talking about a crisis in ND? The pro-government press, which possesses very imaginative journalists, has created an issue of leadership where it does not exist. They attribute to me inclinations I do not have.

As concerns ONNED, of course there are certain problems. I think that it should activate itself more in the ideological struggle. It must designate a broader

framework, a vision for young people. ONNED should do this, instead of giving so much importance to the organizational services it offers to a confrontational struggle.

2. Concerning abolishing the vote of preference: With the parties' present structure, abolishing the vote of preference does not serve the reform it pursues. As a return to the previous situation also does not serve it. This problem should be discussed seriously among the parties. There are intermediate, alternative solutions. We could examine the possibility of establishing a wider electoral district. We should also consider whether returning to the multi-vote is better than the single vote which existed until a short time ago, but also than abolishing the vote of preference.

3. Concerning a practical proposal with regard to promoting the consenting process: The first act is my speech today. I am broaching the issue. It is more critical than the consent that we agree on the terms of the game. As the government's impasses multiply, the idea of the consenting process will gain ground. Furthermore, everyone stresses the need for national unanimity. As a politician, I will sound the alarm from now on. I believe that conditions will be ripe, and that the consenting process will be imposed by events if we do not pursue it.

Speech To Journalists

Athens I KATHIMERINI in Greek 21 Feb 84 p 7

[Text] The nature and magnitude of the economic problems the country is facing demand for their solution the restoration and establishment of a consenting process between the social classes and political parties. And it is not permissible for this process to be undermined by political confrontation and the frontal clash of the parties. This democratic line was developed on 20 February by the former minister of coordination, Giannis Boutos, in his speech to the Foreign Correspondents' Union which attracted the interest of all the journalists.

Mr. Boutos, developing the theme "The economic crisis, possibilities and prospects," stated the following:

"It is well-known now that our economy is in a phase of zero development, with the clear phenomena of domestic and foreign lack of balance. It is unable domestically to secure conditions for satisfactory production and employment, while, at the same time, it is unable to maintain a balance in our relations with the outside world.

"We have now entered a stage of the country's deindustrialization.

"The percentage of the national income which is saved and invested is significantly decreased in comparison with the corresponding percentages at the beginning of the 1970's.

"This is the clearest proof of our unwillingness or inability to achieve economic development and social progress. From the first among all the European countries in rate of development, we have become the last. You know all these things. I

consider it expedient, instead of torturing you with a description of the crisis and its causes, to confine myself to the following observations only:

"First: With the present conditions of inflation and recession, the government is unable to implement an integrated program for economic recovery, all the more because it is impeded from this by dogmatic rigidities and arbitrary political choices.

"Second: The government's inability to restrict the huge fiscal deficits, as well as the deficits in the balance of payments, is turning every claim about implementing the five-year program for social and economic development into a tasteless joke.

"Third: With a negative development, the policy of redistributing the income is making some people not only relatively, but absolutely, poorer. Thus, the social tolerance and cooperation which are indispensable for every developmental effort are being dynamited. No one believes anymore that the government's social policy can be supported on the distribution of a non-existent social surplus.

"Fourth: The economy's transition from the phase of dynamic development in the twenty years 1953-1973, and of relative recovery of 1975-1979, coincides with the second oil crisis. Since 1981, however, we have entered a phase of economic collapse.

"At that time in 1979, but mainly now, the political element predominates in the related decisions which have influenced our economic affairs. Namely, political expediencies and choices have prevailed over clearly economic points of view.

National Retardation

"In the present phase, these political choices have taken on the character of a frontal clash and confrontation and have led to the present economic regression and national retardation.

"Thus our economic problem is taking especially large dimensions. It surpasses our political and ideological divisions. It is becoming more a national problem. Our social foundation depends directly on its solution; so does our endurance in the competition with our neighbors as it is developed by the revival of national ambitions and development of inflationary conditions in the area of our existence.

"But just as the economy's transition to the present phase of negative development was determined by clearly political decisions, so the economy's exit from the morass of recession and inflation can be realized only with political decisions.

"We must decide that, irregardless of political or world-theory placements, there are, and there must be, areas of agreement and concurrence of viewpoints.

"Certainly there are very few who place their ideological problems above the national interest and the vision of a prosperous society. Who believe that a primary problem is not survival and social progress, but the imposition of a relentless and obsolete ideology. With the exception of those fortunately few who persist

in their devotion to the mistakes of the past and illusions of the future, the rest of us can agree on the terms of a game which establishes rules of behavior and describes goals in the hope that in the end it leads to practical solutions.

"A first principle which springs from the above determination is that our national survival and social existence, both in the very particular geo-political system to which we belong and also within the European communities and international competition, depends on our willingness to monitor international developments and our ability to produce competitively--and this irregardless of the form of social regime and economic system.

"Our choice must not be between a productive and a non-productive economic and social system. It must be between two equally productive systems. A system of under-productivity and social welfare which suppresses personal responsibility and institutionalizes inactivity and social indolence cannot be offered as an alternative solution to the tough but productive system of the liberal economy.

"In economic action, this principle is translated as acceptance of the [Soubiteriani] idea of creative destruction. Economic development is a constant process of choice in the midst of a chain of continual changes. In a world of mortals, immortal ventures are not allowed to exist. If we do not wish or dare to equal the example of Japan, where profitable businesses are subsidized, at any rate it is not necessary for society as a whole to assume the burden of perpetuating problematic enterprises. In the end, the entire economy will become problematic and will go bankrupt.

"It is more advantageous socially for all of us to contribute to creation of a fund which will send a monthly check with their salary to the houses of the personnel, and to close finally certain problematic enterprises, instead of maintaining them without our knowing the cost of maintaining them, while it is certain that by doing so the development of other similar potential enterprises is also impeded.

"Second principle: It is not allowable for political opponency to reach the bounds of frontal social confrontation. Political fanaticism operates like a two-way street. The separation into good and bad has two aspects. And the political pendulum's movement from one extreme to the other is transformed into a process of mutual refutation.

"The current government is seeking in vain methods for replacing private initiative and entrepreneurship.

"The government should have understood by now that social progress in the Greece of 1984 depends on the cooperation of social partners. The same lesson is valid also for the New Democracy of 1985. I hope social cooperation will be methodized more fully in the future than it was in the past. Otherwise there is no hope for implementing any economic plan whatsoever.

"Third principle: Irregardless of the system and policy which every party follows, in order for any program for economic stabilization and recovery to have the slightest possibility of success, it must be presented to the people with clarity and cruel honesty.

"At the point where we are, no party is able to promise anything but pain and sacrifices. Those who continue to believe that the more just distribution of some imaginary social surplus is enough to upgrade our social life are either naive [words illegible] or both.

"In order for our economy to be stabilized and its further development planned, more systematic work is needed from everyone, as well as greater saving, better organization, and resumption of investment initiatives and risks which bring us near to the vanguard of modern developments. Our whole economic behavior must change.

"Plans such as producing lignite-gas with out-dated technology or constructing an aluminum plant with the Soviets do not serve any purpose. They are announced simply to impress and disorient public opinion.

"Fourth principle: We must understand that there are no magical solutions. There are solutions which entail some small or large cost. And whether they are productive or not depends on the priority we give them, based on a cost-benefit analysis and on the overall durability of the economy.

"Under the present conditions, we all must reconcile ourselves to the idea of our prosperity being temporarily curtailed for the sake of future improvement in the conditions of our personal and societal life.

"Athenians are indignant about traffic and pollution. And they are looking for a solution from God for both. But have they considered that, irregardless of the omissions of the past, upgrading life in the capital will by necessity burden the same people it benefits? That in the final analysis the transportation problem is compressed into an estimation by every inhabitant of Athens of how much he values two hours of leisure and self-concentration in place of two hours in gas fumes and the enervation of traffic congestion?

"Have we by any chance considered that we could significantly restrict atmospheric pollution in the capital if we impose on already circulating and new cars the Los Angeles technical standards for fuel and exhaust? But that the imposition of this obligation alone would mean importing accessories equal in value to the meager exchange reserves which the country has at its disposal?

"Fifth principle: Our problems either relate to difficulties which the economy faces in the short-term or are prolonged into long-term demands for improving health, education and administration which are naturally propounded from time to time; they equally concern adherents of socialism and adherents of the liberal economy. The adherents of all factions are urgently seeking their solution because these problems concern their life itself.

"And they must be dealt with practically and effectively after a frank determination and detailed description and analysis.

"It so happens that I believe that, in the frameworks of an open and democratic government, the liberal solution is most effective and painless. But I also happen to believe that the solution to these problems is not promoted with the fruitless and anti-historic comparison of the supposedly liberal ideology to the socialist

bias. Although I consider likewise unrealistic PASOK's assertion that exploiting the limitless popular forces in the frameworks of democratic programming will give an unprecedented impetus to the solution of our socioeconomic problems, I consider just as unrealistic the counter-proposal which was expressed, if it actually was expressed, in the New Democracy program, that freeing private initiative from obligations and bureaucratic restrictions will automatically lead us to a flourishing of the economy.

"The modern problems are complex and difficult to deal with. As they are, by nature, burdened by the deeds and omissions of the past.

"Liberalism does not mean returning to one system, which has never been applied, moreover, but developing a certain behavior towards current problems. And it is broken down into two basic assumptions: First, that the purpose of the economic policy is to maximize social prosperity and, second, that the economic and social problems are measurable and manageable--and therefore improvable.

Terms of the Game

"Sixth and basic principle: We must, after all, harmonize the terms and rules of the political and the economic game.

"If the nature and magnitude of the economic problems require for their solution the restoration and establishment of a certain consenting process, it is not allowable for this process to be undermined by political confrontation and the frontal clash of the parties.

"The political experience of the last decade has shown that parliamentary stability does not necessarily mean a strong government also. Governments with a comfortable parliamentary majority have exerted slight power when facing the opposition of a well-organized, but also unhesitating, opposition. As they also have been unable to implement their policy because of an inability to persuade the organized groups of the parties concerned.

"The political game is no longer played only in parliaments. Political practice has weakened a great deal their role in the modern democracy, while, conversely, it has strengthened the role of the organized parties, syndicalist organizations, student associations, local self-government and other social agencies.

"If, as a result, there is no correlation between the legislative body and the central administration and the remaining social agencies, it is as if parliament and government exist and act within a social vacuum, cut off from the living reality.

"The correlation of the organs of central power with the social agencies will be restored only if the game of power is played at every level with the same terms, rules and systems.

"This is also the basis for establishment of a consenting process. Otherwise, we will be facing the phenomenon of a paralyzed and hesitating central power, incapable and inept in handling the huge problems of our time.

"It is certain that sooner or later the conditions for a social and political consenting process will be restored.

"The question is whether it will be before or after our economic collapse, which is at our door. I am by nature optimistic. For this reason I believe it will happen in time. That, in the end, reason will prevail over passion."

9247

CSO: 3521/192

ND ACCUSES GOVERNMENT OF DEFICIT BUDGETING

Athens AKROPOLIS in Greek 8 Feb 84 pp 1, 7

[Article: "People To Be Forced To Pay \$500 Billion Deficit, ND: Pasok Commits Crimes With Regard to Public Organizations"]

[Text] In Parliament last night, ND made serious accusations against the "foolish and criminal" government policy regarding public and problematic companies.

"You dramatically increased utility rates," stated Mr K. Mitsotakis, "and you simultaneously increased the deficit terribly. This puts a strain on the unfortunate salaried and lower-middle-class Greeks and, according to our records, the public sector deficit will reach 500 billion drachmas in 1984."

Receiving Two Salaries

Mr Mitsotakis revealed that the general secretary of the Ministry of Industry was also being paid as an employee of DEI because he had the special responsibility of supervising DEI. This is a criminal offense; therefore this gentleman showed real, though delayed, repentance by returning part of the salary he was unlawfully collecting.

Mr Mitsotakis emphasized that such ethical behavior on the part of the public had never appeared before.

Referring specifically to the energy policy, the ND delegate said that we are dependent upon the provision of electric power by other countries. Greece today is in danger of being immersed in darkness at any moment.

With reference to Olympic, whose deficit increased drastically following intense factionalism, Mr Mitsotakis pointed out: "I would like to believe that all this does not translate into safety risks to flights due to insufficient maintenance, even though it is noted with unease that many malfunctions have recently occurred."

Mr Evert

With regard to the bad situation of public organizations, Mr Evert interjected that the budget deficit has not only not been reduced, but has increased, despite the appreciable increase in telephone rates, water and electricity rates and transportation fares.

Thus, while in 1981 the total public sector deficit was 71 billion drachmas, in 1983 it reached 135 billion drachmas--that is, it doubled, as the Ministry of Economy officially acknowledged. One must add to this amount the deficit in the oil products account which, based on the records of the Bank of Greece, exceeds 35 billion drachmas.

The government already estimates that the total deficit in 1984 will exceed 156 billion drachmas, even though it is anticipated that transportation fares will double in two increments, that electricity rates will increase by 30 percent in two increments, and that telephone rates will increase by one drachma per unit. Mr Evert said that some of these rate increases are scheduled to be implemented after the elections to the directing council of the European Economic Community.

Mr Evert specifically emphasized that the schedule for the installation of DEI's power units has been delayed by 8 to 14 months.

In 1981, seven industries which alone owed DEI 174 million drachmas owe 4,302 million drachmas in 1983. Of this debt, 2,239 million drachmas are owed by the socialized company "LARKO" which in 1981 was not in debt to DEI. Additionally, while in 1981 12.6 million drachmas' worth of electric energy was imported, this amount reached 74 million drachmas in 1983.

From the point of view of government, which tried to deemphasize the debate, the deputy minister of National Economy, Mr Ant. Georgiadis, said that "ND is practicing demagoguery" and that PASOK took over deficits which are gradually being reduced. He also noted that socialization would proceed (Note: In other words, factionalism); that the public sector deficit, which was 24 billion, has been reduced this year to 10 billion; and that telephone rates will not increase by one drachma per unit but rather by one-tenth of a drachma--this decision will be made in June.

Salaries Larger Than Prime Minister's

The salaries of the director of the Agricultural Bank of Greece, the deputy director and even the director of the Council of Agricultural Insurance exceed the salary of the prime minister.

The above confession was made by the minister of Agriculture, Mr Simitis, in response to the question of deputy and former minister Evert.

In his answer, Mr Simitis specifically reports:

The annual before-tax salary for 1983 was 3,506,031 drachmas for the director of ATE; 3,819,244 drachmas for the deputy director; and 2,410,799 drachmas for the director of the Council of Agricultural Insurance. In other words, these exceed the annual salary of the prime minister, which is 2,263,260 drachmas.

12542

CS0: 3521/186

GOVERNMENT OFFICIAL ON PLANNED INVESTMENT UPTURN FOR 1984

Athens I KATHIMERINI in Greek 17 Feb 84 p 7

[Report on 16 February speech by K. Vaitzos, deputy minister of national economy, to the Association of Foreign Correspondents in Athens]

[Text] Speaking yesterday to the Association of Foreign Correspondents, Mr K. Vaitzos, deputy minister of National Economy, declared that 1984 will be a year with a clear upturn in investment. As evidence for this, he offered details about the permits for operation and establishment of industries that have been granted and about the investment that has been classified under the development laws. His evidence, however, showed that the upturn concerns investment in companies controlled by state agencies (banks, cooperatives and so on), while investment in private firms is of medium, or rather small, size. This means that neither technological progress is being made nor is the competitiveness of the economy being improved. It is characteristic that Mr Vaitzos did not mention a single large Greek or foreign investment made since PASOK [Panhellenic Socialist Movement] has been in power.

The minister expressly mentioned the following:

1. In 1979-81, about 1,300 permits for operation were awarded each year for new industrial and handicraft units. In 1983, permits for operation exceeded 1,000, and it is expected that they will be up 30 percent in 1984.
2. Through 31 December 1983, investment of 57 billion drachmas in 1,200 industrial and handicraft firms was examined and approved under the provisions of law 1262. This sum is expected to create 24,000 new jobs. If investment in agriculture, stock-breeding and hotels is included, the approved total is 70 billion drachmas (1,436 investments and 29,530 new jobs).

Mr Vaitzos noted the following foreign investment:

We may characterize 1983 as a year of encouragement for an influx of foreign investment capital into Greece. Actually, after the downturn noted in 1982--a year of investigation of the aims and provisions of the new economic policy--the competent consultative committee of the Ministry of National Economy approved investments totaling 27.4 billion drachmas. We must note

that except for 1980, approved investment has been fluctuating between 4.5 and 16 billion drachmas over the past 5 years.

An event of special significance, however, is the rate of increase in foreign capital imported for productive investment, which is expected to be at a much more consequential rate in 1984. Actually, it is worth noting that today, we have under evaluation by the services of the Ministry of National Economy applications for approval under law 2687 of a total investment of 42 billion drachmas.

In connection with the various licenses traditionally lavished on foreign investment by the rightist governments under law 2687, we must note that our experience has been substantially different:

1. The following licenses are no longer being approved under the provisions of law 2687:

Income tax exemptions for companies or their foreign personnel.

Export of stock certificates.

Keeping accounts in foreign currency.

Legal classification of capital imported exclusively as working capital.

2. The following binding terms are being incorporated into approved classifications:

Obligations to export.

Obligations to realize a minimum share for domestic PA [expansion unknown] of 30 to 40 percent or more.

Obligations to safeguard a minimum specific level of employment.

Obligations to develop domestic raw material in specific proportions, which will always exceed a minimum of 45 to 55 percent of all raw materials.

An obligation to use Greek materials, equipment and construction to the maximum in projects with foreign investment.

In short, the activities of foreign capital in Greece are welcome, as long as they contribute to economic development and facilitate the assimilation of new technology. Besides, the openness indispensable to these negotiations is a universal characteristic of the care with which the government insists on managing every matter having to do with advancing Greece's self-sustained economic development.

Finally, I want to repeat and particularly emphasize that in the area of foreign investment, as in other areas, Greece is neither making unilateral

efforts nor again setting administrative restrictions unilaterally. Negotiations for approval of new investment are leading to voluntary agreement between the negotiating parties. The considerable increase in foreign investment in Greece under law 2687 in 1983 shows that private investors accept the conditions offered them and appreciate the efforts being made to create a modern working environment for their activities.

Moreover, the constitutional safeguard for capital imported into Greece under law 2687 continues to be in effect. Thus, there is no change in this respect. Greece is the only country in Europe with such a law with such force.

There is of course the provision concerning tax and tariff exemptions, and the change of policy in this area is in accord with the provisions of Protocol 3 of Greece's Treaty of Adherence to the EEC. This protocol in its very words anticipates that tariff or other exemptions will cease to be in effect as a result of Greece's joining.

12570

CSO: 3521/182

PROBLEMS FACING RIGHTIST LABOR ORGANIZATIONS

Athens TA NEA in Greek 17 Nov 83 p 4

[Text] An open crisis and a dispute among members of the major opposition party, ND [Nea Democracy], have officially surfaced. They are considered to reflect the more general contradictions and ambitions that divide its members. Officially, the dispute is over the position the party has taken on various trade union developments (conferences of EKA [Athens Labor Center] and GSEE [Greek General Confederation of Labor]).

Statements by ND leaders and proclamations issued by its official trade union organization ADISK [Free Democratic Trade Union Movement], which is guided by the former minister of labor, indicate support for the move to abstain from conferences, not recognize election results and restore rightist leadership immediately after the ND returns to power. There are powerful party factions, however, that are controlled and guided by elements that are undermining Mr Averof and that have taken the initiative to ensure that the right participates in the trade union election processes.

Clashes in the Offices

These conflicts have even reached the level of clashes in the central offices of ND; they are interpreted as indicative of the strong competition within ND and concern the party leader himself, whose supporters believe that the movement in favor of the participation of ND in the conferences constitutes a "rebellion" against the official party line and dispute Mr Averof's authority directly. Mr Averof has declared himself in favor of the policy of abstention and has granted to Mr Karakitsos (ADISK) the role of ND trade union representative.

The fact that among those who play an important role in the activities of the supporters of participation in the trade union conferences are ranking members of ND and that some of them are also presenting themselves as Mr Averof's successors gives a broader dimension to the whole subject and takes it beyond the narrow confines of trade union factionalism and the activities of the right to the broader problem of leadership that is now being spotlighted.

To the contradictions involved in this issue we must add the fact that while the view supporting participation in the debates of EKA and GSEE serves the

government and could even be described as "leftist" as judged by the standards of the right, it in fact emanates from party and trade union cadres of the "pure" and to a certain degree "hard-core" right.

Imminent for Some Time

The crisis within the trade union ranks of ND was imminent for some time; at one point it had been manifested by the breaking up of the official organization (ADISK) and the formation of a new one, DASP [Democratic Left Labor Faction of Greece], which was pressing ND to recognize it as its trade union representative. It had put forward two arguments in support of its effort: that its members included "pure" rightists and that it was expressing the views of the greatest part of the trade union right.

With the support of many leading elements of ND, DASP had made important steps toward "recognition" by the ND. At the end, however, mainly due to the persuasive arguments of Mr Laskaris to Mr Averof, ADISK managed to maintain that role along with a call by Mr Averof to the trade unionists of the right for unity and cooperation.

The unity that appeared for a moment to have been achieved has proved in the last few days to be completely superficial. This is because as the time for the various congresses approaches, the trade unionists of DASP are separating their position from the official "line," which calls for abstention. In this way, these trade unionists are openly expressing their opposition to Mr Averof, who is in favor of abstention as a tool to be used in ND trade union tactics.

Objectively, it is a fact that the abstention of the right from crucial congresses, as called for by ADISK and by the ND leadership, will cause serious problems to the government and PASKE [Panhellenic Militant Workers Trade Union Movement], which are trying with elective administrations to show the country, and especially foreign observers, that trade unionism is moving at a normal pace toward democratization.

The absence of the right from the congresses and from the various trade union organs to be created by them will decrease the representative nature of the trade union leadership because of the absence of important, as shown by the recent elections, consultative trade union powers. The ND's official trade union guidelines call for abstention. By the absence of the right, ND hopes to cast doubts over the representative nature of the administration.

The calls for abstention coming from ADISK and included in the official ND trade union guidelines aim at undercutting the representative nature of the administrative organs of trade union organizations. Another reason for supporting the call for abstention is the fact that the right began to suffer setbacks from the moment elementary democratic procedures went into effect within the trade union movement and all organizations participated in the elections. The right cannot present itself now as the "legal" representative of the interests of the working people. In the past it was able

to assume this role by excluding a number of trade unions and by falsifications stemming from the existence of shadow associations, of a majority electoral system, and so forth.

"Omnipotence" Has Not Been "Justified"

The true preelection influence of the right has already been shown in the elections conducted by individual guilds, federations and labor centers, where the right has not been able to justify in any case the "omnipotence" it was showing during the period of ND rule. It is not by chance either that even during ND rule, in areas where the democratic process prevailed (e.g., public utilities), where it was not possible to have shadow associations or to exclude certain organizations, the antirightist trade union (political) powers had the overwhelming majority, which they were unable to secure even in more purely workers' areas, which can objectively be classified as being more to the left. This because of the exclusions, the ghosts, etc.

There are indications, independent of any final decision the ND will take after the crisis that erupted in its ranks, that give the impression that the greatest part of the rightist representatives will participate in the congresses, thus denuding ADISK and the party mechanisms that support it.

ADISK is already preparing the ground to justify the relatively small abstention of the right from the congresses by projecting what is not an honorable argument for the elements of the right that the government and its trade union mechanism offer economic and other "exchanges" to the trade unionists of the right in order to secure their participation in congresses and, in some cases, even for their vote.

Appointments and Promises

ADISK has even talked about promises of appointing relatives of rightist trade unionists as a reward for "services" provided in economic and labor issues. It even speaks of terrorism, pressure and blackmail, obviously thinking that some of the methods used in the past to secure favorable election results continue to be used today.

ADISK avoided making reference to internal party disputes with ND on the subject of the major opposition's stand and has attributed the "leakage" (loss) of rightist trade unionists not to political choice but to self-interest, or in some cases to the "cowardice" of the rightist trade unionists.

The use of such disdainful arguments against the rightist trade unionists who do not follow the "guidelines" of the ADISK leadership has caused strong reactions within ND and its trade union movement, because whatever it is correct or not, it is presented as a political choice not as a result of ideological and political fermentation but as a result of bribes and pressure. The ND circles that support participation of the right in congresses point out that the most unqualified and the least "objective outsiders" who speak about bribes, coercion and intervention for attracting votes are precisely those who today are making use of these arguments in order to justify their poor trade unionist activity and their inability to intervene and shape trade union developments.

PRC INTERESTED IN SCIENTIFIC EXCHANGE

Athens I VRADYNI in Greek 30 Nov 83 p 4

[Text] Ioannina University professor and former rector G. Kallistratos has concluded a 15-day visit to the PRC. His visit was scheduled within the framework of the cultural exchanges between Greece and the PRC. The distinguished professor and researcher visited the PRC to gather information about various species of commercially exploitable fish available there and to see whether they could become acclimatized in Greece. Mr Kallistratos is also studying Chinese methods of fishery, which are simple and productive.

During his stay in the PRC, Mr Kallistratos visited various fisheries, marine institutes and botanical gardens and gave eight lectures in Beijing, Nanking, Shanghai and Canton. He spoke about his studies on kidney stones and cancer; the Chinese showed particular interest in these subjects and asked to have his studies translated into Chinese.

Summarizing his conclusions about his visit to the PRC, Professor Kallistratos proposed the following:

--cooperation with the Chinese in the field of protection from and treatment of stones in the bladder as well as on subjects related to the prevention of cancer. The Chinese have expressed direct interest in these subjects.

--the importation from China of various species of fish that, after appropriate exploitation, could contribute in the future to the development of our national economy and of varieties of plants and fruit trees, such as the Souzou, two kinds of bamboo trees and others.

8193

CSO: 3521/117

APPROVAL FOR ALUMINA PLANT CONSTRUCTION WITH USSR

Athens I KATHIMERINI in Greek 9 Mar 84 pp 1, 3

/Text/ Construction of the alumina plant, that will use Greek bauxite as a raw material, will begin in mid-1984 or at the latest in the first part of 1985. After negotiations with the Soviet Union that lasted 6 years an agreement was reached yesterday over the price of the alumina, a critical issue in the negotiations.

The agreement, the protocol of which was signed by Mr K. Sofoulis, director of ETVA /Hellenic Industrial Development Bank/, and the Soviet representative of the organization that will purchase the alumina, was announced yesterday by Alternate Minister of National Economy Vaitzos who in the past few months had the responsibility for the negotiations. The minister stressed that with this agreement the bases are being laid for the establishment of the biggest industrial unit in Greece in the last 20 years. The plant will process 1.5 million tons of bauxite a year and will produce over 700,000 tons of alumina, of which 400,000 tons will be purchased by the Soviets for the next 10 years. The other 200,000 tons will be purchased by Bulgaria.

Speaking to reporters yesterday, Mr Vaitzos stressed the following points:

1. With the alumina sale price agreed upon with the Soviets, the investment will be profitable and there will be foreign currency benefits from the very first year the plant goes into operation.
2. There will also be other important developmental benefits given the fact that this is the biggest investment that has occurred in the past 20 years. The investment will have special multi-faceted effects on the overall economy.
3. With this agreement, the conditions for a real strengthening and broadening of Greek-Soviet economic relations are created. At this point Mr Vaitzos said that the relative effort over the alumina plant began back in October 1978 with Karamanlis' visit to Moscow and then in February 1983 when Papandreu met with Tikhonov.

Mr Vaitzos added that after the signing of the agreement over the price of the alumina the signing of the overall agreement with the Soviets for the construction of the plant will now move forward. Our goal, he said, is mid-1984 and the real startup will occur in the first few months of 1985.

As for the price of alumina, Mr Vaitzos said that it was decided that it would be based on the sales price of the American-Canadian firm ALCAN that is one of the biggest world producers. On the basis of the ALCAN price, the price of alumina that the Soviets will be paying us will be 13 percent of it for the first 3 years and 12.6 percent for the remaining 7 y-ars. The current ALCAN sales price is 1,750 dollars a ton.

Mr Vaitzos also referred to the developmental effects of the investment and said the following:

- The investment will amount to over 450 million dollars of which 43 percent relates to drachma expenditures that will create demand from construction and engineering branches of our industries. The construction of the project will require 4-5 years and will employ 700 workers.
- There will be a net foreign currency profit of between 50-70 million dollars a year.
- Greek raw material, namely bauxite, will be utilized.
- This relates to an investment that constitutes significant technological progress.
- The site of the installation will be chosen in cooperation with the local self-administration.

5671

CSO: 3521/202

NEW ANTI-EEC FARM MOVEMENT FORMED

Athens I AVGI in Greek 28 Feb 84 p 7

/Article by Dimitris Sideris, member of the secretariat/

/Text/ A meeting of trade unionist farmers from all over Greece was held on 12 February. These farmers are inspired by a militant desire to help in the development of the struggle of the workers in the villages, for the defense of their interests in the hope that some other form of perception can be brought about to improve living conditions in the villages, to mobilize the strength of the workers, to fulfill their role for the promotion of change that has become bogged down. This is so because farmers are confronting problems, they are suffering from the high costs of living and they are becoming the subject of unbridled exploitation by every kind of merchant, industrialist and middleman.

The debts to the Agricultural Bank, the impasse in the markets, the destructive competition in animal husbandry with the flood of meats and dairy products from foreign countries, the very expensive fodder, the lack of a cooperative structure, the threat of a drop in the farmers' income through the freezing of prices on agricultural products for the 1984-1985 period, as proposed by the EEC committee, all make up the picture that predominates in the agricultural sector.

The government, through the inconsistency of its policies, could not avert these unfortunate developments that are a detriment to the living standard of the agricultural population and to the agricultural economy in general.

For that reason this has brought about the opposition of the farmers and their agents (namely agricultural associations) primarily where the problems are most acute. We must not underestimate the significance of this opposition even though they do not correspond to today's demands for a more decisive defense of the demands of the farmers nor to the capabilities of the development of their militant disposition with a broad rallying of farmers within agricultural trade unionist organizations.

For that reason, because the agricultural trade unionist movement, despite its achievements, was not able to overcome a crisis that began during the period when the Right governed the country, at a time when agricultural trade unionism was persecuted, a crisis that is today deepening still more with the divisive endeavor to create separate agricultural associations, separate federations, even the GESASE /General Confederation of Greek Agricultural Unions/ since Law 1361/83 does not exclude it.

A second fact that deepens the crisis in the agricultural movement is the compromises within the agricultural ranks that are well disposed to PASOK and the KKE without their promising anything to anyone, a fact that downgrades agricultural trade unionism and forges the militant disposition of the farmers. Consequently, it is not only the Right, that has assumed the guise of a savior of agricultural trade unionism for the purpose, of course, to lead it astray and to divide it, but also the competition of the above-mentioned parties for dominance, these parties that aim at using the agricultural movement for party aims, as in the recent past a step in their campaign against the EEC, these parties bear great responsibility for the fact that farmers have lost confidence in agricultural trade unionism, with the immediate result being the shrinkage of the agricultural movement. As anyone can understand, this kind of situation cannot continue.

A primary demand is the need for a qualitative upturn in the agricultural movement. First of all, independence, democratic functioning and a united spirit, in conjunction with a proper orientation in struggles and on a national and European community level.

Only in this way and in these conditions can a strong agricultural movement be realized, capable of decisively defending agricultural income and improving living conditions in the rural areas through structural and institutional changes.

Who, however, can undertake this serious and difficult task? Surely not those or their parties whose only concern was who was going to get most of the offices in GESASE and who are responsible, as we have mentioned above, for the present situation of the agricultural trade unionist movement. Even more so, neither some newly-established Neo-democratic party whose only goal is division for purely opposition reasons vis-a-vis the government which through Law 1361/83 provided the green light.

This task -- it was noted at the 12 February 1984 meeting-- must be undertaken and promoted by another party, the one that was decided upon and established with the name of "Agricultural Movement - Marinos Andypas," that will be open to all farmers who believe in the following:

- Undeviating devotion to the principles of agricultural trade unionism that would be representative of all tendencies and currents, without any restrictions.
- With the establishment of the pure proportional system in all levels of elections for the selection of officers in the agricultural trade union organizations.
- Respect for the principle of autonomy in the agricultural trade union movement with the rejection of every governmental or party dependence or guardianship of the agricultural trade union organizations.
- The ensuring of real democratic functioning through the abolition of the anti-democratic provisions of Law 1361/83.

- The active participation of eligible and revocable representatives of the ASO /expansion unknown/ in the making of decisions that concern them, both on a national and regional level, from the Ministry of Agriculture down to the lower organizations.

- The rallying of all the ASO within a GESASE open to all tendencies and currents so as to thwart plans for the establishment of a second GESASE through the abolition of the relative article of Law 1361/83 that permits the realization of such plans.

The above are some of the goals of the "Agricultural Movement - Marinos Andypas," goals that must find their expression in the forthcoming elections in agricultural unions, in one militant rallying, through the development of the inexhaustible strength of the farmers, for the defense of their vital interests.

The "Agricultural Movement - Marinos Andypas" will work for a proper class and national orientation of the agricultural trade union movement whose struggle will not be restricted to the country itself but will span the European level generally speaking, together with the farmers of the EEC, where the decisions will be made and judged both for the interests of our farmers themselves as well as for the agricultural economy and life in the villages.

We shall fight within the "Agricultural Movement - Marinos Andypas" against the policy of frugality of the EEC that the Thachers and Kohls and their local representatives want to impose.

The proclamation of the "Agricultural Movement - Marinos Andypas," that has to be read by all farmers, provides the basic data of the program for immediate and long-term goals, for the major and minor demands for changes, both institutional and structural, in our agricultural economy and in the vital problems in the villages.

The farmers, all the farmers, may they embrace as their own the "Agricultural Movement - Marinos Andypas" and may they bring its message to the far corners of the rural areas, certain that in this way the agricultural movement will be liberated from the asphyxiating government and party embrace.

The Marinos Andypas calls on you for new struggles.

5671

CSO: 3521/ 202

POLL SHOWS ECONOMY AS MAJOR PUBLIC CONCERN

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 20 Feb 84 p 11

/Text/ Almost a majority of the inhabitants of the capital is asking that the government now turn its main attention to the domestic problems of the country. Only an infinitesimal percentage gives any significance to foreign issues.

This is the impressive result of a public opinion poll conducted for KYRIAKATIKI ELEVTHEROTYPIA by the ICAP Ellas Company (Gallup).

Specifically, 9' percent ask the government to give priority attention to domestic issues and only 3 percent to foreign issues. Also, 3 percent did not answer our question.

The top issue of concern to Athenean men and women is the unemployment problem (44 percent). In fact, for those in the 15-29 age bracket, the percentage climbs to 55 percent.

The number two issue is inflation (28 percent). For those in older age brackets (50 years or more), the percentage goes up to 38 percent.

The number three issue is education (14 percent), while the fourth is social security (8 percent).

This Gallup poll was conducted by the ICAP Ellas Company on 17-19 February. The question was put to 600 persons, both men and women over 15 years of age, selected through the random sample system so as to constitute a representative cross section of the inhabitants of Athens and Piraeus.

The interview was taken by 28 men and women interviewers and two inspectors.

The question was: In your opinion, to which of these issues should the government now give its main attention:

1. Unemployment	44 percent
2. Inflation	28 percent
3. Education	14 percent
4. Social security	8 percent
5. Foreign issues	3 percent
6. I do not know/ I will not answer	3 percent

FOREIGN TRADE DECONTROL RESULTS IN 'IMPORT PRESSURE'

Istanbul DUNYA in Turkish 23 Feb 84 pp 1, 7

[Text] Turkey, wanting to increase her exports, is confronted with an import pressure caused by the transition period of liberalization initiated in the import, export and foreign exchange regimes. The "pressure" comes to appearance in form of visits made one after another by delegations from countries desiring to sell goods to Turkey by taking advantage of the new opportunities in foreign trade. On the other hand, for the realization of the unofficial goal of increasing exports to \$7.5 billion in 1984, an era of foreign contacts is being initiated under the leadership of the government sector. Since January, in the direction of mutual objectives, the number of foreign delegations and officials visiting Turkey has reached a level that is drawing attention. Following the visit of the Spanish Trade Delegation on 24 January, contacts have been made with the Polish Delegation to develop the co-operation in trade on 26 January. On 6 February the Turkish-Iraqi Mixed Economic Commission's meeting was materialized and the Oil-Minister of Iraq visited Ankara. A Japanese delegation arriving in Turkey on 10 February searched mostly for opportunities to market their own products. Japan, having initially "probed" the automotive and electronic fields through her representatives in Turkey, is for the first time contended with "monitoring the situation."

Meanwhile, the visit of a crowded delegation from the United States was witnessed on 17 February. The officials from the United States Agricultural Cooperatives Association, the Trade Development Program that is attached to the State Department and the United States Soybean Association joined this visit, that was a continuation of the contacts initiated earlier within the framework of the OPIC. It has been explained that also the issue of joint investments has been discussed in these contacts, and a preliminary agreement has been reached for the Istanbul Subway-Project and the Tunnel-Project across the Bosphorus.

The negotiations with Albania on cooperation in trade, which had started on 20 February following the "sound-out" visit of a delegation of South Korean industrialists, also on 17 February, were concluded yesterday.

IMF and U.S. Banks

Within this traffic of visits, also the contacts for making "political and economic inquiries" draw attention. An IMF delegation became Turkey's first guest. Following that, the famous businessman and the former chairman of the committee of the Chase Manhattan Bank David Rockefeller's high level meetings in Ankara concerning the Chase Manhattan Bank's opening of a branch in Turkey, and the delegation headed by the World Bank President A.W. Clausen arriving toward the end of January have been followed earnestly.

During this visit, Clausen examined the economic measurements taken by the Ozal government on the spot and declared that he found these decisions very good. Clausen departed by promising that the World Bank will give "aid within its capabilities" in the direction of the new policies. During the same days, Karl Ahrens, the Chairman of the European Council's Parliament, was in Ankara. Rather than for economic issues, Ahrens had come to get "the wind of the political atmosphere" and to persuade Turkey not to participate in the European Parliament's January session. As the month of January ended with the visit of Geberth, the Chairman of the OECD's consortium on Turkey, the message was being received that the OECD was "satisfied with the economic and financial arrangements." On the other hand Fellermeier, the "deputy chairman of the European Economic Community's socialist group", who had arrived in Ankara quietly during the early days of February, was not much satisfied. Fellermeier had the mission of finding out "whether or not the democracy in Turkey had started to function." In a press conference he made, he had declared that he was "not satisfied with the situation." According to Fellermeier, under the existing conditions Turkey's joining the Community [EEC] as the 13th member was "impossible." During the past days, also Keep, who is the private representative of the Federal Republic of Germany's Prime-minister Kohl, made a short visit to Ankara and met with Ozal.

Contacts Made By Turkey

As a response to increasing visits of foreign delegations having the objective of either to sell goods or to "check the democracy", Turkey is preparing to intensify her efforts to increase her exports and to create new markets under the leadership of the government sector. While this campaign has been kicked off at the highest level with the President Kenan Evren's visit to Saudi Arabia, which began the day before, another visit yielding no apparent results but drawing attention was the departure of Prof Dr Ekrem Pakdemirli, the Undersecretary of the Treasury and Foreign Trade, to the Soviet Union. Libya was targeted by Pakdemirli as the second part of his foreign contacts. The planned visit to Libya to solve the accumulated economic and trade problems has been postponed by the two parties that gave different reasons for the postponement. Although Pakdemirli is making this visit, it is expected that the Minister of State will visit this country.

While the waiting continues, the sending of a high level delegation to Iraq has been planned for early in March. It is expected that this delegation will be headed again by Prof Dr Pakdemirli, the Undersecretary of the Treasury and Foreign Trade. The main objective of this visit is to increase exports and, in

addition to this, to clear away some difficulties. The trade "offensive" directed toward the Middle-East will continue with a visit to Iran. There are requests from interested firms that the visit scheduled for April be moved to an earlier date. The representatives of the private sector are suggesting that in accordance with the new trade regime an early wrapping up of the new export deals should be secured. Turkish visits to the countries in the region will continue with the planned visit of a delegation to Romania.

On the other hand, in a statement he made yesterday, the Minister of State Ismail Ozdaglar gave information about the visit to Libya. Indicating that the visit will be made in the "coming days", Ozdaglar said that topics like the accumulated credits of the construction contractors and oil purchases are on the agenda.

12531

CSO: 3554/162

UNIONS AMALGAMATE, PREPARE FOR COURT APPEALS

Istanbul CUMHURİYET in Turkish 23 Feb 84 pp I, II

[Text] The Steel Workers Union [Celik-Is] is amalgamating with the Eregli Contemporary Metal Workers Union [Eregli Cagdas Metal-Is]. The appeals against the labor branch statistics will be submitted to the Labor Court in Ankara no later than 2 March.

The final preparations are being completed by the various labor unions to file court appeals against the labor branch statistics.

Following yesterday's meeting of the Legal Advisors of Unions held in the Turkish Confederation of Labor [Turk-Is], a preliminary determination has been made as to which errors and contradictions in the labor branch statistics will be included in the appeal to be submitted to the Labor Court in Ankara. Later, these determinations will be prepared in form of a text and will be sent out to the organizations connected with the Turkish Confederation of Labor [Turk-Is] as an example. In case the unions connected with the Turkish Confederation of Labor [Turk-Is] want to appeal against the data involving their own branch of labor, they will submit the necessary appeals to the court by using the text prepared by the Turkish Confederation of Labor [Turk-Is].

In accordance with a decision taken by the Turkish Confederation of Labor [Turk-Is], the unions will submit their appeals to the Labor Court in Ankara no later than Friday, 2 March. According to the information obtained, with the exception of the unions BASS, the Turkish Agricultural Credit Cooperation Employees Union [Koop-Is], the Turkish Rubber and Plastic Workers Union [Kaucuk-Is], the Turkish Bottle, Glass and Crystal Industry Workers Union [Kristal-Is], the Turkish Motorized Transport Workers Union [Tuntis], Tezkoop-Is and Toreyis, which, according to the labor branch statistics, could not qualify in their labor branches; all the unions connected with the Turkish Confederation of Labor [Turk-Is] of which number of union members in the labor branch statistics is shown less than the number of union members as declared by the respective union will file appeals.

Mehmet Kurtalan, the Chairman General of the Steel Workers Union [Celik-Is] which failed to pass the barrier to obtain authority, to represent the workers, in the labor branch (metal) by a very small margin declared that his union has amalgamated with the Eregli Contemporary Metal Workers Union [Eregli Cagdas

Metal-Is Sendikasi] (Metal Goods Machine Industry Workers Union). He said that according to the labor branch's statistic the Eregli Contemporary Metal Workers Union [Eregli Cagdas Metal-Is Sendikasi] has 4554 members and that after the amalgamation both unions have passed the 10-percent barrier in the particular labor branch. Explaining that following the amalgamation of the Independent Metal Workers Union [Bagimsiz Celik-Is Sendikasi] and the Eregli Contemporary Metal Workers Union [Eregli Cagdas Metal-Is Sendikasi] an application for determination of authority to represent workers has been submitted to the Ministry of Labor and Social Security, Kurtalan said the following:

"According to article 13 of the Law for Collective Bargaining, Strike and Lock-out, any union wishing to make a collective bargaining contract can submit a written application to the Ministry of Labor and can ask for the determination of the union's obtainment of the 10 percent of the number of members in the labor branch the union is founded. We too will ask the Ministry of Labor and Social Security to determine that after the amalgamation of the two unions we have passed the 10-percent [barrier]."

Kurtalan also added that the Steel Workers Union's Council of Lawyers has met, and that they will submit their appeal against the labor branches statistics together with the prepared statement of reasons to the court before the end of this week.

Orhan Balaban, the Turkish Confederation of Labor's [Turk-Is] Secretary for General Organization indicated that in 1984, which is the year of returning to the collective bargaining system, all the workers will be integrated under the roof of the Turkish Confederation of Labor [Turk-Is] and said: "We are determined to integrate our fellow workers who are members of unions of which activity has been stopped or which are acting independently, and the tens of thousands of our workers who could not get the chance to organize a union under the roof of the Turkish Confederation of Labor [Turk-Is] in 1984."

12531

CSO: 3554/162

NEGOTIATIONS CONTINUE WITH SOVIET UNION ON NATURAL GAS PRICE

Istanbul MILLIYET in Turkish 23 Feb 84 p 7

[Text] It has been announced that negotiations with the Soviets on natural gas will be brought to a definite conclusion with the Soviet committee that will arrive in Ankara in the next few days.

During the last trip to Moscow of Ekrem Pakdemirli, treasury and foreign commerce councillor, the Soviets, at Turkey's request, agreed to deliver the natural gas to Edirne or to a place on the Turkish-Bulgarian border as yet undetermined.

During the negotiations, however, there was disagreement about the price of the natural gas. The Soviets said that they would be able to deliver the natural gas at a place to be determined at the then current price of oil. Turkey, in response, proposed that the price of natural gas be kept lower than that of petroleum, arguing that there would be a considerable cost increase due to the laying of a pipeline between Edirne and Istanbul.

The Soviets have undertaken in principle to deliver the natural gas and to keep the cost below the price of petroleum. They announced that concerning a solution to the price problem, they would send a committee to Ankara after examining the matter.

Answering the questions of the MILLIYET correspondent on this subject, Treasury and Foreign Commerce Councillor Ekrem Pakdemirli said:

"Six months after the final agreement with the Soviets on the matter of price is reached, the pipeline that will transport the natural gas between Edirne and Istanbul will be completed. Consequently, 6 months after the price agreement, the natural gas will be supplied to the Istanbul industrial region and Ambarli. Ambarli will run by natural gas instead of fuel oil and most certainly this will pave the way for a drop in costs."

12591

CSO: 3554/166

NORDIC MINISTERS URGE RESTRICTIONS ON EXHAUST EMISSIONS

Stockholm DAGENS NYHETER in Swedish 29 Feb 84 p 6

[Article by Sven Svensson]

[Text] Reprocessing facilities at Windscale, England, and La Hague, France, must convert to the best possible technology in the near future to reduce radioactive emissions. The Nordic environmental affairs ministers demanded this at a meeting in Stockholm last Tuesday.

The environmental affairs ministers also advocated a transition to unleaded gasoline for automobiles as soon as possible and tougher exhaust standards for new cars.

Sweden has its spent nuclear fuel reprocessed at Windscale and La Hague. The demand by the environmental affairs ministers means that these facilities must drastically reduce their emissions of cesium and other hazardous radioactive substances to an absolute minimum--to the standards used in the United States, Japan, and the Soviet Union.

Conversion to the new purification technology will require a dramatic increase in costs. According to existing agreements with the two facilities, Sweden must pay about one tenth of the cost for improvements.

The English facility at Windscale now produces about 1 million times as much pollution as American, Russian, and Japanese facilities. The average radiation is 6,000 curies per year, compared to 1 curie in the United States and Japan.

According to calculations, there are about 250,000 tons of plutonium in the sea near Windscale. Cesium and other hazardous substances have spread not only to the North Sea, but also to the Barents Sea and to East Greenland.

Emissions of radioactive substances from the La Hague plant, to which Sweden will transport spent nuclear fuel from the new nuclear power plants, are about 1,000 times greater than similar plants in the United States, Japan, and the Soviet Union.

Emissions are regulated by the so-called Paris Convention. This fall there will be a meeting in Dublin on emissions and later there will be a political meeting

in Oslo to discuss purification requirements.

Changing the Paris Convention requires a three-fourths majority. The Nordic countries, which support a proposal originally made by Denmark, believe they have a good chance of gaining the support of the Netherlands, West Germany, Portugal, and Spain for the new purification requirements. The European Community also is an organizational member of the Paris Convention.

The Nordic ministers also agreed at their meeting that stricter emissions standards for new cars must be introduced as soon as possible. The new levels would require utilization of the most advanced technology available. This would also mean a transition to unleaded gasoline.

This transition would be coordinated with other European countries that are working toward the same goal. The ministers were particularly pleased that West Germany had adopted stricter standards for automobile emissions.

No deadline was given for the new standards, but the transition would occur as soon as possible.

Regulations to reduce the permissible noise levels of motor vehicles also will be implemented in order to conform to the regulations being discussed by EC, the European Community. A decision should be made during 1984 or 1985. Toward the end of the 1980's a decision should be made to limit noise levels to 80 dB.

The ministers also discussed a joint Nordic position for the acid rain conference in Canada on 20 and 21 March. The Nordic countries, Germany, Switzerland, and Austria have been invited to the conference. These countries support the Nordic proposal to reduce sulfur dioxide emissions by 30 percent before 1993.

The ministers failed to reach agreement on a joint position with regard to the acid rain problem in England, which Prime Minister Olof Palme discussed at the council's plenary debate. The ministers will return to this problem on Thursday, after studying the English acid rain report.

9336

CSO: 3650/145

NORDIC COUNTRIES JOIN IN PROTEST TO UK ON AIR POLLUTION

Stockholm DAGENS NYHETER in Swedish 2 Mar 84 p 6

[Article by Dick Ljungberg]

[Text] On Thursday Great Britain's ambassador in Stockholm received a joint protest from the Nordic environmental affairs ministers against English plans to delay measures against emissions and acid rain.

In a speech to the Nordic Council on Tuesday, Prime Minister Olof Palme called for joint Nordic measures against the British plans. On Thursday the environmental affairs ministers agreed on a statement which their chairman Svante Lundkvist delivered to Ambassador D. F. Murray.

This resulted from a study ordered by the British government. The resulting report proposed that steps to curb emissions be delayed 5 years in order to allow additional research and development. Great Britain "exports" three fourths of its extensive emissions to the Nordic countries.

"Approval of this report would represent a serious defeat for international efforts to improve the environment," the Nordic environmental affairs ministers wrote. "We would view such a decision as a step backward from the agreements reached at the Stockholm Conference on Acid Rain in 1982 and the decision reached at the first meeting of the executive organ of the ECE convention on air pollution across national boundaries."

Instead, the environmental affairs ministers are calling on Great Britain to support the proposal of the Nordic countries to reduce sulfur emissions by 30 percent before 1993.

"It is only natural that we are disturbed by the British report. Practically all scientists in the field agree that acidification is causing dramatic changes in the environment and that emissions must be limited in the near future," Svante Lundkvist told DAGENS NYHETER.

It was at a conference on the Geneva Convention in June 1983 that the Nordic countries proposed a 30-percent reduction in sulfur emissions within 10 years. West Germany immediately offered its support, since it already had experienced

a serious threat to its forests.

Since then Switzerland, Austria, and Canada have decided to back the Nordic demand and France is on the way.

"These countries will meet in Canada in March. At that time we will discuss how to persuade more countries to join us," Svante Lundkvist said. "If all 35 countries in Europe joined us, we could end the serious threat of acid rain. For this reason, we hope that the government of Great Britain will realize how serious the situation is."

9336

CSO: 3650/145

PALME SUPPORTED ON EFFORT TO GET UK ACTION ON ACID RAIN

Stockholm SVENSKA DAGBLADET in Swedish 29 Feb 84 p 2

[Editorial: "Beneficial Words from Palme"]

[Text] In yesterday's debate at the Nordic Council, Prime Minister Palme discussed the acid rain catastrophe. He did this in a firm and beneficial manner.

He called acid rain the most serious environmental problem of our time. This is undoubtedly a correct description with regard to our part of the world.

The prime minister also was correct in pointing out that the causes of acidification must be attacked over a broad front. Steps must be taken to combat emissions from power plants, industry, and traffic. In addition, measures are needed to control acidifying agents used in agriculture and forestry.

It is certainly true that no individual country can protect itself against all the acid rain affecting that country. Emissions are carried through the atmosphere without regard to national boundaries and fall to earth far from the production source. Nevertheless, some of the acidification is caused by the affected country. Acidifying elements used in agriculture and forestry have an effect precisely where they are used. In addition, some emissions in the air fall to earth within the source country. Most of the acid rain in Sweden comes from abroad, but no single country is responsible for as much of this acid rain as Sweden itself.

Much has been done to tighten Swedish regulations on permissible levels of sulfur emissions. But much more can be done. In particular, more interest should be devoted to nitrogen-containing pollutants.

Limiting emissions from the various sources is not the only solution. In certain cases, it is possible to go directly to the source and replace it with a source that causes no emissions. This is especially true in energy production. There are important energy sources that cause no environmental problems of this type: hydroelectric and nuclear power.

In this area, Swedish policies run counter to our environmental policy. By severely restricting the expansion of hydroelectric power, by our decision to

phase out nuclear power, and by our rejection of nuclear heating plants we have made ourselves more dependent on the very fuels that are the main cause of the acid rain catastrophe.

The international struggle against acid rain has been remarkably slow. The conventions on air pollution across national boundaries have taken a long time to develop and are not particularly far-reaching.

Fortunately, although for tragic reasons, there has been a new awakening, for example in West Germany where the economic consequences within the forestry industry have begun to have an effect.

In his speech, Olof Palme pointed to Great Britain as being especially guilty. Remarkably, however, he failed to mention the Eastern countries' considerable share of the guilt and their shocking lack of interest in the demands of other countries.

But this is not to say by any means that the irresponsibility of Great Britain should not be underscored.

It has already been shown that there is good reason for the Nordic countries to cooperate on the acid rain issue. Such cooperation includes uniform regulations and joint positions to present to other countries.

Olof Palme's desire for the Nordic countries to send a message to the English government deserves the support of us all.

9336

CSO: 3650/145

COUNTRY HAS REDUCED SULFUR EMISSION INTO AIR SINCE 1978

Stockholm DAGENS NYHETER in Swedish 1 Mar 84 p 6

[Article by Lennart Lundegardh]

[Text] Sulfur emissions in our part of the world have remained practically unchanged in recent years. Small changes in some countries have been offset by changes in other countries.

Before the Stockholm Conference on Acid Rain in June 1982 a group of Swedish experts made a study entitled Acid Rain Today and Tomorrow.

It contained a schematic representation of Sweden's sulfur exchange with the rest of the world. The figures were from 1978.

"The picture is about the same today," said acid rain expert William Dickson of the Environmental Protection Board. Great Britain reduced its 40,000 tons of emissions somewhat. On the other hand, the Eastern countries increased their emissions.

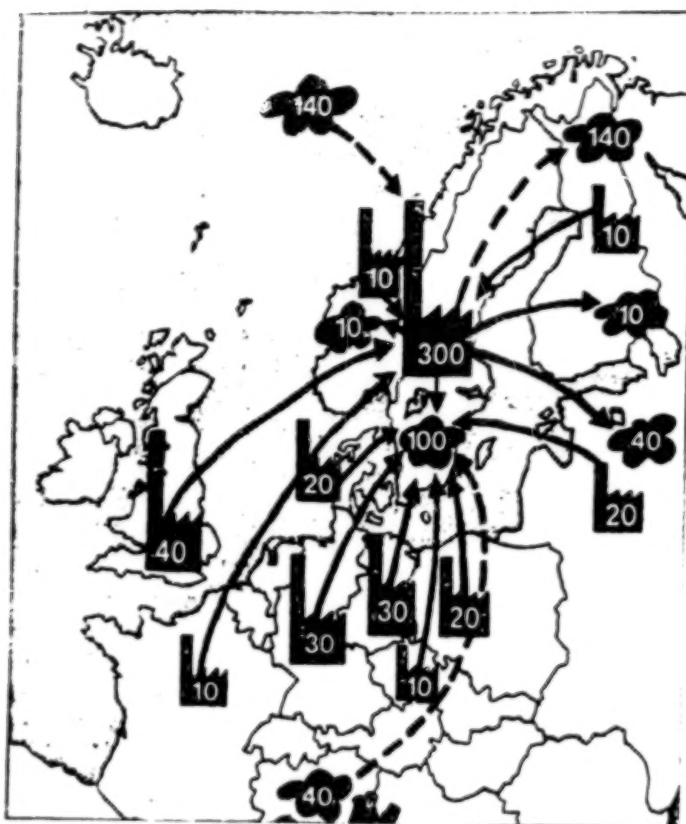
The 1978 figures show total Swedish emissions of about 300,000 tons annually. It is estimated that 100,000 tons of this amount returns to earth in Sweden, while the rest is "exported" to the east.

"Now we are down to about 200,000 tons," William Dickson said. With regard to the fallout, the reduction is distributed about evenly within and outside the country.

But the situation will improve. According to predictions, emissions in Sweden in 1990 will be down to about 170,000 tons. Along with West Germany, France, and the Soviet Union, the Nordic countries have agreed on a 30-percent reduction by 1993.

An effort also is underway to convince Great Britain to adopt this plan. A resolution by the Nordic Council to appeal to the British is expected on Thursday.

"If only we are willing, we can make great strides," William Dickson said. "The technology is available today to reduce sulfur emissions by 95 percent and nitrogen emissions by 70 percent."



This map shows Sweden's sulfur exchange with other countries in 1978. The figures show sulfur emissions in thousands of tons. The arrows show the direction of transport. The picture today is basically the same, but Sweden's own emissions have been reduced from 300 to about 200 thousand tons.

9336

CSO: 3650/145

END

END OF

FICHE

DATE FILMED

17 APRIL 1984